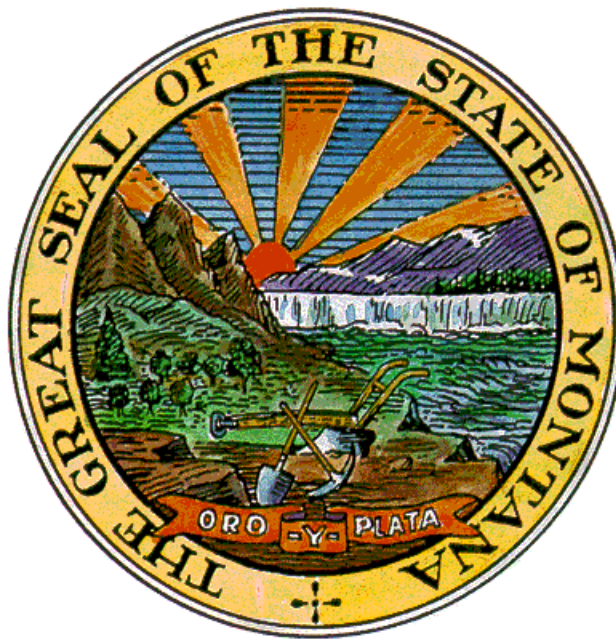


Montana

Comprehensive Annual Financial Report



June 30, 1997

MONTANA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
for the fiscal year ended June 30, 1997

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STATE OF MONTANA

SELECTED STATE OFFICIALS

EXECUTIVE

Marc Racicot

Governor

Judy Martz

Lieutenant Governor

JUDICIAL

J. A. Turnage

Chief Justice

LEGISLATIVE

Gary Aklestad

President of the Senate

John Mercer

Speaker of the House

**STATE OF MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1997**

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**STATE OF MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Montana

Combining, Individual Fund and Account Group Statements/Schedules

The financial statements that follow provide detailed information on the financial position and results of operations, by fund, for each fund type. Budget basis schedules provide comparisons of the legally established budget with actual data on the budgetary basis for expenditures/expenses and transfers out. These schedules were compiled from the Statewide Budgeting and Accounting System (SBAS).



SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. A brief description of each Special Revenue Fund follows:

State - This fund accounts for money from State and other sources that are earmarked for the purpose of defraying particular costs of an agency, program or function.

Federal - This fund accounts for money from federal sources that is used for the operation of State government.

STATE OF MONTANA
Combining Balance Sheet
Special Revenue Funds
June 30, 1997
(Expressed in Thousands)

	STATE	FEDERAL	TOTALS
ASSETS:			
Cash/Cash Equivalents	\$ 166,688	\$ 52,385	\$ 219,073
Receivables (Net)	38,534	8,413	46,947
Interfund Loans Receivable	43,765	30	43,795
Due from Other Governments	2,926	116,358	119,284
Due from Component Units	72	8	80
Due from Other Funds	7,249	3,702	10,951
Inventories	23,369	12,998	36,367
Long-Term Notes/Loans Receivable	37,970	965	38,935
Advances to Other Funds	263	-	263
Equity in Pooled Investments	9,500	-	9,500
Investments	2,547	16,747	19,294
Securities Lending Collateral	4,421	11,172	15,593
Other Assets	735	608	1,343
TOTAL ASSETS	\$ 338,039	\$ 223,386	\$ 561,425
LIABILITIES/FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 41,884	\$ 61,029	\$ 102,913
Interfund Loans Payable	5,855	52,731	58,586
Advances from Other Funds	4,597	3,006	7,603
Due to Other Governments	1,000	2,597	3,597
Due to Component Units	531	397	928
Due to Other Funds	26,786	17,568	44,354
Deferred Revenue	8,093	27,034	35,127
Property Held in Trust	1,169	213	1,382
Securities Lending Liability	4,421	11,172	15,593
Other Liabilities	19	-	19
Total Liabilities	94,355	175,747	270,102
Fund Balances:			
Reserved For:			
Encumbrances	28,538	8,693	37,231
Inventories	23,369	-	23,369
Long-Term Loans	37,970	965	38,935
Long-Term Advances	263	-	263
Trusts	706	14,095	14,801
Unreserved	152,838	23,886	176,724
Total Fund Balances	243,684	47,639	291,323
TOTAL LIABILITIES/FUND BALANCES	\$ 338,039	\$ 223,386	\$ 561,425

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	STATE	FEDERAL	TOTALS
REVENUES:			
Licenses/Permits	\$ 79,449	\$ -	\$ 79,449
Taxes:			
Natural Resource	8,205	-	8,205
Individual Income	8	-	8
Property	7,964	-	7,964
Fuel	174,934	-	174,934
Payroll	483	-	483
Other	49,811	-	49,811
Charges for Services/Fines/Forfeits	63,994	3,415	67,409
Investment Earnings	6,830	2,129	8,959
Securities Lending Income	334	566	900
Sale of Documents/Mdse./Property	3,413	24	3,437
Rentals/Leases/Royalties	106	-	106
Contributions/Premiums	4,211	-	4,211
Grants/Contracts/Donations	7,517	242	7,759
Federal	1,535	832,576	834,111
Federal Indirect Cost Recoveries	19	1,796	1,815
Other Revenues	763	50	813
Total Revenues	409,576	840,798	1,250,374
Intrafund Revenues	(1,771)	(805)	(2,576)
Net Revenues	407,805	839,993	1,247,798
EXPENDITURES:			
Current:			
General Government	11,441	850	12,291
Public Safety/Corrections	30,741	16,466	47,207
Transportation	163,022	161,733	324,755
Health/Social Services	65,500	496,733	562,233
Education/Cultural	3,563	70,814	74,377
Resource Development/Recreation	46,941	26,030	72,971
Economic Development/Assistance	41,540	60,907	102,447
Debt Service:			
Principal Retirement	691	210	901
Interest/Fiscal Charges	530	4	534
Capital Outlay	32,473	5,911	38,384
Securities Lending	317	539	856
Total Expenditures	396,759	840,197	1,236,956
Intrafund Expenditures	(1,771)	(805)	(2,576)
Net Expenditures	394,988	839,392	1,234,380
Excess of Revenues Over (Under) Expenditures	12,817	601	13,418
OTHER FINANCING SOURCES (USES):			
Loan Proceeds	2,221	2,909	5,130
Bond Proceeds	9,699	-	9,699
Inception of Lease/Installment Contract	30	44	74
General Fixed Asset Sale Proceeds	82	-	82
Operating Transfers In	30,407	2,722	33,129
Operating Transfers Out	(26,855)	(13,014)	(39,869)
Operating Transfers to Component Units	(13,849)	-	(13,849)
Total Other Financing Sources (Uses)	1,735	(7,339)	(5,604)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses	14,552	(6,738)	7,814
FUND BALANCES - JULY 1 - As Previously Reported	231,524	49,410	280,934
Prior Period Adjustments	508	7,739	8,247
FUND BALANCES - July 1 - As Restated	232,032	57,149	289,181
Increase (Decrease) in Inventories	(856)	-	(856)
Residual Equity Transfers	(2,044)	(2,772)	(4,816)
FUND BALANCES - JUNE 30	\$ 243,684	\$ 47,639	\$ 291,323

STATE OF MONTANA
Schedule of Revenues, Expenditures, Other Financing Sources (Uses)
Budget and Actual with Reconciliation of Unreserved Fund Balance per the
Statewide Budgeting and Accounting System (SBAS) to Budget Basis Statement in the GPFS
Special Revenue Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	STATE SPECIAL REVENUE FUND			FEDERAL SPECIAL REVENUE FUND			TOTALS YEAR ENDED JUNE 30		
	BUDGET	ACTUAL	VARIANCE - (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - (UNFAVORABLE)
REVENUES:									
Licenses/Permits	\$ 81,522	\$ 79,448	\$ (2,074)	\$ -	\$ -	\$ -	\$ 81,522	\$ 79,448	\$ (2,074)
Taxes:									
Natural Resource	8,928	8,205	(723)	-	-	-	8,928	8,205	(723)
Individual Income	13	8	(5)	-	-	-	13	8	(5)
Property	6,696	7,964	1,268	-	-	-	6,696	7,964	1,268
Fuel	178,864	174,934	(3,930)	-	-	-	178,864	174,934	(3,930)
Payroll	483	483	-	-	-	-	483	483	-
Other	49,400	49,811	411	-	-	-	49,400	49,811	411
Charges for Services/Fines/Forfeits	63,079	63,994	915	2,747	3,415	668	65,826	67,409	1,583
Investment Earnings	5,414	6,830	1,416	1,890	2,129	239	7,304	8,959	1,655
Securities Lending Income	334	334	-	566	566	-	900	900	-
Sale of Documents/Merchandise/Property	3,373	3,413	40	8	24	16	3,381	3,437	56
Rentals/Leases/Royalties	122	106	(16)	-	-	-	122	106	(16)
Contributions/Premiums	4,644	4,211	(433)	-	-	-	4,644	4,211	(433)
Grants/Contracts/Donations	9,761	7,517	(2,244)	510	242	(268)	10,271	7,759	(2,512)
Federal	1,820	1,535	(285)	991,032	832,576	(158,456)	992,852	834,111	(158,741)
Federal Indirect Cost Recoveries	32	19	(13)	1,814	1,796	(18)	1,846	1,815	(31)
Other Revenues	1,074	763	(311)	-	50	50	1,074	813	(261)
Total Revenues	415,559	409,575	(5,984)	998,567	840,798	(157,769)	1,414,126	1,250,373	(163,753)
EXPENDITURES:									
Current:									
General Government	25,176	10,128	15,048	20,264	850	19,414	45,440	10,978	34,462
Public Safety/Corrections	34,947	30,778	4,169	40,791	16,346	24,445	75,738	47,124	28,614
Transportation	181,610	159,625	21,985	242,553	162,924	79,629	424,163	322,549	101,614
Health/Social Services	80,291	59,420	20,871	487,626	438,185	49,441	567,917	497,605	70,312
Education/Cultural	5,269	3,430	1,839	80,661	70,855	9,806	85,930	74,285	11,645
Resource Development/Recreation	65,116	48,468	16,648	59,372	25,602	33,770	124,488	74,070	50,418
Economic Development/Assistance	47,390	42,890	4,500	78,847	60,834	18,013	126,237	103,724	22,513
Debt Service:									
Principal Retirement	691	691	-	213	213	-	904	904	-
Interest/Fiscal Charges	535	535	-	3	3	-	538	538	-
Capital Outlay	31,209	31,209	-	5,581	5,581	-	36,790	36,790	-
Securities Lending	317	317	-	539	539	-	856	856	-
Total Expenditures	472,551	387,491	85,060	1,016,450	781,932	234,518	1,489,001	1,169,423	319,578
Excess of Rev. Over (Under) Expend.	(56,992)	22,084	79,076	(17,883)	58,866	76,749	(74,875)	80,950	155,825
OTHER FINANCING SOURCES (USES):									
Loan Proceeds	2,052	2,221	169	11,500	2,908	(8,592)	13,552	5,129	(8,423)
Bond Proceeds	10,865	9,698	(1,167)	-	-	-	10,865	9,698	(1,167)
General Fixed Asset Sale Proceeds	25	82	57	-	-	-	25	82	57
Operating Transfers In	23,838	19,775	(4,063)	5,368	3,801	(1,567)	29,206	23,576	(5,630)
Operating Transfers Out	(8,807)	(8,096)	711	(3,672)	(3,093)	579	(12,479)	(11,189)	1,290
Transfers to Component Units	(13,849)	(13,849)	-	-	-	-	(13,849)	(13,849)	-
Total Other Financing Sources (Uses)	14,124	9,831	(4,293)	13,196	3,616	(9,580)	27,320	13,447	(13,873)
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (Budgetary Basis)	(42,868)	31,915	74,783	(4,687)	62,482	67,169	(47,555)	94,397	141,952
RECONCILIATION OF BUDGETARY/GAAP REPORTING:									
1. Adjust expenditures for encumbrances.	-	509	509	-	6,563	6,563	-	7,072	7,072
2. Adjustments for appropriated loans/ other nonbudgeted activity.	-	(17,873)	(17,873)	-	(64,342)	(64,342)	-	(82,215)	(82,215)
3. Intrafund elimination - Transfers In	-	(1,771)	(1,771)	-	(805)	(805)	-	(2,576)	(2,576)
4. Intrafund elimination - Transfers Out	-	1,771	1,771	-	805	805	-	2,576	2,576
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses (GAAP Basis)	(42,868)	14,551	57,419	(4,687)	4,703	9,390	(47,555)	19,254	66,809
Unreserved Fund Balances - July 1	149,914	149,914	-	22,886	20,650	-	172,800	170,564	(2,236)
Residual Equity Transfers	(2,044)	(2,044)	-	(327)	(2,772)	-	(2,371)	(4,816)	(2,445)
Prior Period Adjustments	-	508	508	-	7,739	7,739	-	8,247	8,247
Decrease (Increase):									
Encumbrances Reserve	-	979	979	-	(6,422)	(6,422)	-	(5,443)	(5,443)
Advances to Other Funds Reserve	-	(40)	(40)	-	-	-	-	(40)	(40)
Long-Term Loans Reserve	-	(10,806)	(10,806)	-	341	341	-	(10,465)	(10,465)
Trusts/Endowments Reserve	-	(224)	(224)	-	(353)	(353)	-	(577)	(577)
Unreserved Fund Balances - June 30	\$ 105,002	\$ 152,838	\$ 47,836	\$ 17,872	\$ 23,886	\$ 10,695	\$ 122,874	\$ 176,724	\$ 53,850

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of general long-term obligation principal and interest. A brief description of each Debt Service Fund follows:

Coal Tax Bonds - Moneys in this fund are pledged for the payment of principal and interest on all State of Montana coal severance tax bonds.

Long-Range Building Program - This fund accounts for the payment of all long-range building program bonds and interest.

Water Development - This fund accounts for coal severance taxes pledged to retire bonds sold to make loans/grants for water development projects and activities, as prioritized by the Legislature.

Highway Revenue Bonds - This fund accounts for gasoline taxes pledged for payment of principal and interest on bonds issued for the purpose of constructing highways in Montana.

Health Facility Bonds - This fund accounts for funds from services provided to patients at the Montana Developmental Center and Montana State Hospital to pay off bonds issued by the Montana Health Facility.

Department of Social and Rehabilitation Services (SRS) Building - The building occupied by SRS is owned by the Teachers' Retirement System and is leased to the State through a lease-purchase agreement. This fund accounts for the lease payments to the retirement system.

Renewable Resource - This fund accounts for coal severance taxes pledged to retire bonds that were sold to provide funds to finance renewable resource projects.

Water Conservation Bonds - This fund accounts for Water Conservation Bonds issued for four projects: Sidney, Little Dry, South Side Canal and Petrolia.

Energy Bonds - This fund accounts for General Obligation bonds issued for State Building Energy Conservation Projects.

STATE OF MONTANA
Combining Balance Sheet
Debt Service Funds
June 30, 1997
(Expressed in Thousands)

	COAL TAX BONDS	LONG- RANGE BUILDING PROGRAM	WATER DEVELOP- MENT	HIGHWAY REVENUE BONDS	HEALTH CARE DEBT SERVICE	SRS BLDG	RENEW- ABLE RESOURCE	WATER CONSER- VATION BONDS	ENERGY BONDS	TOTALS
ASSETS:										
Cash/Cash Equivalents	\$ 6,301	\$ 4,599	\$ 2,164	\$ 13,679	\$ 3,496	\$ 33	\$ 1	\$ -	\$ 205	\$ 30,478
Receivables (Net)	334	2,723	672	-	-	-	-	-	-	3,729
Due from Other Funds	3	244	1	-	413	-	-	-	-	661
Due from Component Units	-	19	-	-	-	-	-	-	2	21
Long-Term Notes/Loans Receivable	31,497	-	5,745	-	-	-	-	64	-	37,306
Investments	1,666	-	-	-	-	-	-	-	-	1,666
Securities Lending Collateral	1,823	-	12	10	-	-	-	-	5	1,850
TOTAL ASSETS	\$ 41,624	\$ 7,585	\$ 8,594	\$ 13,689	\$ 3,909	\$ 33	\$ 1	\$ 64	\$ 212	\$ 75,711
LIABILITIES/FUND BALANCES:										
Liabilities:										
Accounts Payable	\$ 8	\$ 4,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 4,422
Due to Component Units	-	15	-	-	-	-	-	-	-	15
Due to Other Funds	8	1,242	410	-	-	-	-	-	152	1,812
Deferred Revenue	-	772	-	-	-	-	-	-	-	772
Securities Lending Liability	1,823	-	12	10	-	-	-	-	5	1,850
Total Liabilities	1,839	6,442	422	10	-	-	-	-	158	8,871
Fund Balances:										
Reserved for Long-Term Loans	31,497	-	5,745	-	-	-	-	64	-	37,306
Reserved for Debt Service	8,288	1,143	2,427	13,679	3,909	33	1	-	54	29,534
Total Fund Balances	39,785	1,143	8,172	13,679	3,909	33	1	64	54	66,840
TOTAL LIABILITIES/FUND BALANCES	\$ 41,624	\$ 7,585	\$ 8,594	\$ 13,689	\$ 3,909	\$ 33	\$ 1	\$ 64	\$ 212	\$ 75,711

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	COAL TAX BONDS	LONG- RANGE BUILDING PROGRAM	WATER DEVELOP- MENT	HIGHWAY REVENUE BONDS	HEALTH CARE DEBT SERVICE	SRS BLDG	RENEW- ABLE RESOURCE	WATER CONSER- VATION BONDS	ENERGY BONDS	TOTALS
REVENUES:										
Taxes:										
Gas/Oil/Coal Production	\$ -	\$ -	\$ 362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362
Individual Income	-	34,994	-	-	-	-	-	-	-	34,994
Corporate Income	-	7,212	-	-	-	-	-	-	-	7,212
Cigarette/Tobacco	-	10,901	-	-	-	-	-	-	-	10,901
Charges for Services/Fines/Forfeits	-	575	-	-	-	83	-	-	622	1,280
Investment Earnings	1,802	394	1,391	385	121	-	-	3	108	4,204
Securities Lending Income	115	16	4	28	-	-	-	-	8	171
Federal	-	144	-	-	-	-	-	-	-	144
Sale of Documents/Mdse./Property	2,097	-	-	-	-	-	-	-	-	2,097
Total Revenues	4,014	54,236	1,757	413	121	83	-	3	738	61,365
EXPENDITURES:										
General Government	-	4	-	-	-	51	-	-	-	55
Resource Development/Recreation	7	-	120	-	-	-	-	-	-	127
Economic Development/Assistance	-	62	-	-	-	-	-	-	-	62
Principal Retirement	4,644	5,203	674	11,235	290	72	-	3	435	22,556
Interest/Fiscal Charges	3,381	3,546	460	4,089	800	2	-	3	195	12,476
Securities Lending	109	15	4	26	-	-	-	-	7	161
Total Expenditures	8,141	8,830	1,258	15,350	1,090	125	-	6	637	35,437
Excess of Revenues Over (Under) Expenditures	(4,127)	45,406	499	(14,937)	(969)	(42)	-	(3)	101	25,928
OTHER FINANCING SOURCES (USES):										
Operating Transfers In	2,985	5,573	50	15,176	3,703	-	-	-	-	27,487
Operating Transfers Out	(398)	(54,738)	(457)	-	-	-	-	-	(152)	(55,745)
Total Other Financing Sources (Uses)	2,587	(49,165)	(407)	15,176	3,703	-	-	-	(152)	(28,258)
Excess of Revenues/Other Sources Over (Under) Expenditures/ Other Uses	(1,540)	(3,759)	92	239	2,734	(42)	-	(3)	(51)	(2,330)
FUND BALANCES - July 1 -										
As Previously Reported	38,363	6,077	6,515	13,440	-	75	1	67	105	64,643
Prior Period Adjustments	48	(1,175)	3	-	1,175	-	-	-	-	51
FUND BALANCES - July 1 - As Restated	38,411	4,902	6,518	13,440	1,175	75	1	67	105	64,694
Residual Equity Transfers	2,914	-	1,562	-	-	-	-	-	-	4,476
FUND BALANCES - June 30	\$ 39,785	\$ 1,143	\$ 8,172	\$ 13,679	\$ 3,909	\$ 33	\$ 1	\$ 64	\$ 54	\$ 66,840



CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major governmental general fixed assets. A brief description of each Capital Projects Fund follows:

Long-Range Building Program - This fund is maintained to account for resources received and expended for the State's long-range building program. The long-range building program includes costs for the acquisition, construction and improvement of major fixed assets financed by general obligation bonds and interest earned on bond proceeds.

Federal/Private Construction Grants - This fund accounts for federal grants, private donations and federal matching funds that are restricted to general fixed asset construction.

Capital Land Grant - This fund accounts for revenues and expenditures from the capital land grant. Revenues are dedicated for the purpose of constructing capital buildings or additions thereto. Revenues may be transferred to a Debt Service Fund for the payment of principal and interest on bonds issued for capital building construction.

STATE OF MONTANA
Combining Balance Sheet
Capital Projects Funds
June 30, 1997
(Expressed in Thousands)

	LONG-RANGE BUILDING	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTALS
ASSETS:				
Cash/Cash Equivalents	\$ 21,686	\$ 221	\$ 367	\$ 22,274
Receivables (Net)	1,187	-	-	1,187
Due from Other Funds	281	-	54	335
Securities Lending Collateral	567	-	-	567
Other Assets	-	-	4	4
TOTAL ASSETS	<u>\$ 23,721</u>	<u>\$ 221</u>	<u>\$ 425</u>	<u>\$ 24,367</u>
LIABILITIES/FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 998	\$ 2	\$ -	\$ 1,000
Interfund Loans Payable	203	-	-	203
Due to Component Units	14	-	-	14
Due to Other Funds	354	-	-	354
Property Held in Trust	2	-	-	2
Securities Lending Liability	567	-	-	567
Total Liabilities	<u>2,138</u>	<u>2</u>	<u>-</u>	<u>2,140</u>
Fund Balances:				
Unreserved	21,583	219	425	22,227
Total Fund Balances	<u>21,583</u>	<u>219</u>	<u>425</u>	<u>22,227</u>
TOTAL LIABILITIES/FUND BALANCES	<u>\$ 23,721</u>	<u>\$ 221</u>	<u>\$ 425</u>	<u>\$ 24,367</u>

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	LONG-RANGE BUILDING	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTALS
REVENUES:				
Taxes:				
Natural Resource	\$ 4,577	\$ -	\$ -	\$ 4,577
Cigarette/Tobacco	2,336	-	-	2,336
Charges for Services/Fines/Forfeits	271	-	-	271
Investment Earnings	1,046	-	-	1,046
Securities Lending Income	87	-	-	87
Other Revenues	2	-	-	2
Total Revenues	8,319	-	-	8,319
EXPENDITURES:				
Current:				
Resource Development/Recreation	26	-	-	26
Debt Service Int/Fiscal Charge	84	-	-	84
Capital Outlay	27,226	532	-	27,758
Securities Lending	82	-	-	82
Total Expenditures	27,418	532	-	27,950
Excess of Revenues Over (Under) Expenditures	(19,099)	(532)	-	(19,631)
OTHER FINANCING SOURCES (USES):				
Loan Proceeds	2,162	-	-	2,162
Bond Proceeds	30,075	-	-	30,075
Inception of Lease/Installment	102	-	-	102
Operating Transfers In	2,745	401	966	4,112
Operating Transfers Out	(1,660)	(25)	(573)	(2,258)
Total Other Financing Sources (Uses)	33,424	376	393	34,193
Excess of Revenues/Other Sources Over (Under) Expenditures/Other Uses	14,325	(156)	393	14,562
FUND BALANCES - July 1 - As Previously Reported	7,258	375	32	7,665
FUND BALANCES - June 30	\$ 21,583	\$ 219	\$ 425	\$ 22,227

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that provide goods or services to the public on a user charge basis. A brief description of each Enterprise Fund follows:

Economic Development Bonds - This operation is directed by the nine-member Board of Investments, administered by the Department of Commerce. This fund accounts for the Industrial Development Bond (IDB) Program and the Montana Cash Anticipation Program. This program assists Montana's small businesses and local governments in obtaining long-term, fixed-rate financing through private Montana lending institutions.

Liquor Stores - This fund accounts for activities related to the sale and distribution of alcoholic beverages and licensing within the State. Profits and license fees are used to finance General Fund expenditures.

Hail Insurance - Any producer engaged in the growing of crops subject to damage by hail may participate in the hail insurance program. This fund accounts for premium assessments paid by producers for crop acreage insured, investment and interest earnings, administrative costs and benefits paid by the Department of Agriculture.

State Lottery - This fund accounts for the operations of Montana's lottery.

Montana State Prison Ranch/Industries, Swan River Vocational Training and Women's Prison Industries- These operations provide training and employment for inmates. The products produced are sold to State agencies, non-profit organizations and other customers in accordance with State policies.

Uninsured Employers - This fund accounts for fines and penalties collected from employers that do not carry workers' compensation coverage and benefits paid to their employees who are injured on the job.

Subsequent Injury - This fund accounts for the assessments collected from employers and benefits paid to workers who are certified as vocationally handicapped and are injured on the job.

Montana Career Information System - A private organization that collects and distributes labor market and educational data in software and books to various schools and agencies. The MCIS is funded through a combination of user fees and state grants.

FWP Snowgroomer Rental - This fund accounts for activities related to providing snowgroomer equipment to snowmobile clubs which are assessed fees for use of the equipment.

Secretary of State Business Services - This fund accounts for the Business and Government Services activities and the Administrative Code Program of the Secretary of State's Office.

Historical Society Publications - This fund accounts for the Historical Society's sales from "Montana, The Magazine of Western History", books, publications and merchandise from the Historical Society store.

Surplus Property - The Department of Administration accounts for intragovernmental sales of state and federal surplus property to State agencies, local governments and certain other non-profit organizations in this fund.

West Yellowstone Airport - This fund, administered by the Department of Transportation, accounts for operations of the airport at West Yellowstone. User airlines are assessed rent and landing fees.

Local Government Audits - This fund accounts for the costs incurred by the Department of Commerce for audits of local governments required under Section 2-7-501 through 522 of the Montana Code Annotated and the fees assessed the local governments for the audits.

Deferred Compensation Administration Expenses - This fund accounts for the fees collected from the Deferred Compensation Plan participants for the administration of the plan and the related costs incurred in administering the plan.

Flexible Spending Administration - This fund accounts for the fees collected from the participants in the Flexible Spending program administered by the Department of Administration and the related administrative costs of the plan.

Department of Agriculture - This fund accounts for fees collected from persons importing, possessing or controlling alfalfa leaf-cutting bees and the costs incurred in certifying that the bees are disease free, and the application fees from the operations of the Beginning Farm Loan Program.

STATE OF MONTANA
Combining Balance Sheet
Enterprise Funds
June 30, 1997
(Expressed in Thousands)

	ECONOMIC DEVELOPMENT BONDS	LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	PRISON RANCH	PRISON INDUSTRIES	UNINSURED EMPLOYERS
ASSETS:							
Cash/Cash Equivalents	\$ 4,103	\$ 3,168	\$ 2,687	\$ 2,233	\$ 914	\$ 334	\$ 1,503
Receivables (Net)	1,154	8,567	1,778	923	133	69	4,097
Due from Other Funds	-	-	-	17	58	87	12
Due from Component Units	1	-	-	-	-	16	-
Inventories	-	57	-	501	3,473	1,018	-
Long-Term Loans/Notes Receivable	33,242	-	-	-	-	-	-
Investments	12,602	-	3,043	-	-	-	-
Securities Lending Collateral	5	-	3,138	44	-	-	35
Land	-	-	-	-	690	-	-
Buildings/Improvements	-	1,736	-	-	2,615	530	-
Equipment	45	647	23	462	1,647	544	24
Other Fixed Assets	-	-	-	242	-	-	-
Accumulated Depreciation	(22)	(1,168)	(12)	(426)	(2,197)	(559)	(8)
Intangible Assets	-	-	-	10	40	9	2
Deferred Charges	1,086	-	-	-	-	-	-
Other Assets	-	36	-	1,860	-	1	-
TOTAL ASSETS	\$ 52,216	\$ 13,043	\$ 10,657	\$ 5,866	\$ 7,373	\$ 2,049	\$ 5,665
LIABILITIES/FUND EQUITY:							
Liabilities:							
Accounts Payable	\$ 776	\$ 5,363	\$ 18	\$ 412	\$ 85	\$ 47	\$ 1
Lottery Prizes Payable	-	-	-	3,052	-	-	-
Due to Other Governments	-	-	18	-	-	-	-
Due to Component Units	-	-	-	1	-	-	-
Due to Other Funds	13	4,095	66	1,848	73	59	41
Deferred Revenue	239	1,238	1,411	104	-	15	-
Lease/Installment Purchase Payable	-	-	-	-	-	-	2
Bonds/Notes Payable (Net)	48,090	-	-	-	-	-	-
Property Held in Trust	96	35	-	-	-	-	-
Securities Lending Liability	5	-	3,138	44	-	-	35
Compensated Absences Payable	11	81	18	166	103	69	52
Estimated Insurance Claims	-	-	505	-	-	-	-
Arbitrage Rebate Tax Payable	420	-	-	-	-	-	-
Total Liabilities	49,650	10,812	5,174	5,627	261	190	131
Fund Equity:							
Contributed Capital	23	1,916	6	239	21	255	2
Retained Earnings:							
Unreserved	2,543	315	5,477	-	7,091	1,604	5,532
Total Fund Equity	2,566	2,231	5,483	239	7,112	1,859	5,534
TOTAL LIABILITIES/FUND EQUITY	\$ 52,216	\$ 13,043	\$ 10,657	\$ 5,866	\$ 7,373	\$ 2,049	\$ 5,665

SUBSEQUENT INJURY	MT CAREER INFO SYS	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	DEF COMP ADMIN	FLEXIBLE SPENDING ADMIN
\$ 279	\$ 41	\$ 1,114	\$ 137	\$ 193	\$ 179	\$ 351	\$ -	\$ 80
225	1	-	55	108	-	3	-	-
-	-	11	-	1	-	-	242	-
-	-	-	-	-	-	-	-	-
-	-	-	399	644	-	-	-	-
-	-	-	-	3	-	-	-	-
4,626	-	-	-	-	-	-	-	-
2,940	-	-	-	-	-	-	-	-
-	-	-	-	-	110	-	-	-
-	-	-	-	123	487	-	-	-
-	11	282	87	153	102	74	-	-
-	-	-	9	-	1,147	-	-	-
-	-	(210)	(41)	(110)	(1,339)	(34)	-	-
-	-	-	2	4	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	21	-	4	-	1	-	-
<u>\$ 8,070</u>	<u>\$ 53</u>	<u>\$ 1,218</u>	<u>\$ 648</u>	<u>\$ 1,123</u>	<u>\$ 686</u>	<u>\$ 395</u>	<u>\$ 242</u>	<u>\$ 80</u>

\$ 46	\$ 3	\$ 5	\$ 24	\$ 33	\$ 1	\$ -	\$ 242	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	1	2	1	-	-	-	-
1	6	73	44	22	5	14	-	-
-	7	25	111	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	79	-	3	-	-	-	-
2,940	-	-	-	-	-	-	-	-
1	2	105	35	25	3	33	-	-
1,154	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>4,142</u>	<u>18</u>	<u>288</u>	<u>216</u>	<u>84</u>	<u>9</u>	<u>47</u>	<u>242</u>	<u>-</u>
-	-	176	39	694	1,351	106	-	-
3,928	35	754	393	345	(674)	242	-	80
<u>3,928</u>	<u>35</u>	<u>930</u>	<u>432</u>	<u>1,039</u>	<u>677</u>	<u>348</u>	<u>-</u>	<u>80</u>
<u>\$ 8,070</u>	<u>\$ 53</u>	<u>\$ 1,218</u>	<u>\$ 648</u>	<u>\$ 1,123</u>	<u>\$ 686</u>	<u>\$ 395</u>	<u>\$ 242</u>	<u>\$ 80</u>

(Continued on Next Page)

STATE OF MONTANA
Combining Balance Sheet - Continued
Enterprise Funds
June 30, 1997
(Expressed in Thousands)

	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS
ASSETS:				
Cash/Cash Equivalents	\$ 9	\$ 2	\$ 2	\$ 17,329
Receivables (Net)	-	-	-	17,113
Due from Other Funds	-	-	-	428
Due from Component Units	-	-	-	17
Inventories	-	-	-	6,092
Long-Term Loans/Notes Receivable	-	-	-	33,245
Investments	-	-	-	20,271
Securities Lending Collateral	-	-	-	6,162
Land	-	-	-	800
Buildings/Improvements	-	-	-	5,491
Equipment	2	-	3	4,106
Other Fixed Assets	-	-	-	1,398
Accumulated Depreciation	(2)	-	(1)	(6,129)
Intangible Assets	-	-	-	67
Deferred Charges	-	-	-	1,086
Other Assets	-	-	-	1,923
TOTAL ASSETS	9	2	4	\$ 109,399
LIABILITIES/FUND EQUITY:				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 7,056
Lottery Prizes Payable	-	-	-	3,052
Due to Other Governments	-	-	-	18
Due to Component Units	-	-	-	5
Due to Other Funds	-	-	-	6,360
Deferred Revenue	-	-	-	3,150
Lease/Installment Purchase Payable	-	-	-	2
Bonds/Notes Payable (Net)	-	-	-	48,090
Property Held in Trust	-	-	-	213
Securities Lending Liability	-	-	-	6,162
Compensated Absences Payable	-	-	-	704
Estimated Insurance Claims	-	-	-	1,659
Arbitrage Rebate Tax Payable	-	-	-	420
Total Liabilities	-	-	-	76,891
Fund Equity:				
Contributed Capital	186	-	-	5,014
Retained Earnings:				
Unreserved	(177)	2	4	27,494
Total Fund Equity	9	2	4	32,508
TOTAL LIABILITIES/FUND EQUITY	\$ 9	\$ 2	\$ 4	\$ 109,399



STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Enterprise Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	ECONOMIC DEVELOPMENT BONDS	LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	PRISON RANCH	PRISON INDUSTRIES	UNINSURED EMPLOYERS
OPERATING REVENUES:							
Charges for Services	\$ 70	\$ 36,037	\$ -	\$ 28,293	\$ 2,204	\$ 2,369	\$ -
Investment Earnings	629	-	286	212	-	-	60
Securities Lending Income	1	-	45	8	-	-	4
Financing Income	2,364	-	-	-	-	-	-
Contributions/Premiums	-	-	2,271	-	-	-	5
Grants/Contracts/Donations	-	-	-	-	-	-	-
Taxes	-	10,130	-	-	-	-	-
Other Operating Revenues	-	47	98	-	3	-	5,995
Total Operating Revenues	3,064	46,214	2,700	28,513	2,207	2,369	6,064
OPERATING EXPENSES:							
Personal Services	117	1,256	161	1,152	827	1,006	514
Contractual Services	10	241	72	4,523	56	27	33
Supplies/Materials	2	27,862	5	564	670	1,007	10
Benefits/Claims (Note 3)	-	-	1,685	-	-	-	577
Depreciation	4	24	2	97	209	108	3
Amortization	-	-	-	-	3	3	-
Utilities/Rent	20	49	5	94	57	58	25
Communications	5	42	7	834	2	11	23
Travel	5	10	21	25	8	11	18
Repair/Maintenance	-	14	-	44	190	87	3
Local Assistance	-	1,343	-	-	-	-	-
Lottery Prize Payments	-	-	-	14,333	-	-	-
Interest Expense	2,233	-	-	-	-	-	-
Securities Lending Expense	1	-	43	7	-	-	4
Arbitrage Rebate Tax	244	-	-	-	-	-	-
Other Operating Expenses	14	28	5	231	109	17	3,996
Total Operating Expenses	2,655	30,869	2,006	21,904	2,131	2,335	5,206
Operating Income (Loss)	409	15,345	694	6,609	76	34	858
NONOPERATING REVENUES (EXPENSES):							
Gain (Loss) Sale of Fixed Assets	-	(59)	-	(6)	-	(32)	-
Increase (Decrease) Value of Livestock	-	-	-	-	521	-	-
Total Nonoperating Revenues (Expenses)	-	(59)	-	(6)	521	(32)	-
Income (Loss) Before Operating Transfers	409	15,286	694	6,603	597	2	858
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	(15,169)	(43)	(6,603)	-	-	-
Net Income (Loss)	409	117	651	-	597	2	858
RETAINED EARNINGS - JULY 1 -							
As Previously Reported	2,134	149	4,828	-	6,494	1,602	4,674
Prior Period Adjustments	-	49	(2)	-	-	-	-
RETAINED EARNINGS - JULY 1- As Restated	2,134	198	4,826	-	6,494	1,602	4,674
Residual Equity Transfers	-	-	-	-	-	-	-
RETAINED EARNINGS - JUNE 30	\$ 2,543	\$ 315	\$ 5,477	\$ -	\$ 7,091	\$ 1,604	\$ 5,532

SUBSEQUENT INJURY	MT CAREER INFO SYS	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	DEF COMP ADMIN	FLEXIBLE SPENDING ADMIN
\$ 603	\$ 111	\$ 1,825	\$ 631	\$ 768	\$ 34	\$ 258	\$ 245	\$ 74
319	-	-	-	-	-	-	-	-
157	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	2,541
-	21	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	4	3	-	56	-	-	-
1,084	132	1,829	634	768	90	258	245	2,615
13	65	904	304	244	40	150	-	-
5	37	302	57	15	7	8	245	-
-	11	59	270	247	5	4	-	-
401	-	-	-	-	-	-	-	2,465
-	-	72	10	30	24	11	-	-
-	-	-	-	1	-	-	-	-
1	2	54	19	19	11	5	-	-
1	2	90	31	15	1	5	-	-
-	8	15	7	36	1	1	-	-
-	-	10	1	8	1	2	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	1	-	-	-	-
149	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1	9	9	18	4	1	31	-	70
571	134	1,515	717	620	91	217	245	2,535
513	(2)	314	(83)	148	(1)	41	-	80
-	-	-	(1)	(11)	-	(2)	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(1)	(11)	-	(2)	-	-
513	(2)	314	(84)	137	(1)	39	-	80
-	-	-	55	-	30	-	-	-
-	-	-	-	-	-	-	-	-
513	(2)	314	(29)	137	29	39	-	80
3,915	37	416	422	208	(703)	203	-	-
-	-	24	-	-	-	-	-	-
3,915	37	440	422	208	(703)	203	-	-
(500)	-	-	-	-	-	-	-	-
\$ 3,928	\$ 35	\$ 754	\$ 393	\$ 345	\$ (674)	\$ 242	\$ -	\$ 80

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS
OPERATING REVENUES:				
Charges for Services	\$ 3	\$ -	\$ -	73,525
Investment Earnings	-	-	-	1,506
Securities Lending Income	-	-	-	215
Financing Income	-	-	-	2,364
Contributions/Premiums	-	-	-	4,822
Grants/Contracts/Donations	-	-	-	21
Taxes	-	-	-	10,130
Other Operating Revenues	-	-	-	6,206
Total Operating Revenues	3	-	-	98,789
OPERATING EXPENSES:				
Personal Services	2	-	-	6,755
Contractual Services	-	-	-	5,638
Supplies/Materials	-	-	-	30,716
Benefits/Claims (Note 3)	-	-	-	5,128
Depreciation	2	-	-	596
Amortization	-	-	-	7
Utilities/Rent	-	-	-	419
Communications	-	-	-	1,069
Travel	-	-	-	166
Repair/Maintenance	-	-	-	360
Local Assistance	-	-	-	1,343
Lottery Prize Payments	-	-	-	14,333
Interest Expense	-	-	-	2,234
Securities Lending Expense	-	-	-	204
Arbitrage Rebate Tax	-	-	-	244
Other Operating Expenses	-	-	-	4,543
Total Operating Expenses	4	-	-	73,755
Operating Income (Loss)	(1)	-	-	25,034
NONOPERATING REVENUES (EXPENSES):				
Gain (Loss) Sale of Fixed Assets	-	-	-	(111)
Increase (Decrease) Value of Livestock	-	-	-	521
Total Nonoperating Revenues (Expenses)	-	-	-	410
Income (Loss) Before Operating Transfers	(1)	-	-	25,444
Operating Transfers In	-	-	-	85
Operating Transfers Out	-	-	-	(21,815)
Net Income (Loss)	(1)	-	-	3,714
RETAINED EARNINGS - JULY 1 - As Previously Reported	(176)	2	4	24,209
Prior Period Adjustments	-	-	-	71
RETAINED EARNINGS - JULY 1- As Restated	(176)	2	4	24,280
Residual Equity Transfers	-	-	-	(500)
RETAINED EARNINGS - JUNE 30	\$ (177)	\$ 2	\$ 4	\$ 27,494



STATE OF MONTANA
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	ECONOMIC DEVELOPMENT BONDS	LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	PRISON RANCH	PRISON INDUSTRIES	UNINSURED EMPLOYERS
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Sales and Services	\$ 2,475	\$ 39,590	\$ 2,292	\$ 27,982	\$ 2,224	\$ 2,539	\$ -
Payments to Suppliers for Goods and Services	(56)	(27,888)	(96)	(6,532)	(1,231)	(1,382)	(4,090)
Payments to Employees	(120)	(1,178)	(153)	(1,147)	(790)	(1,016)	(483)
Cash Payments for Claims	-	-	(1,799)	-	-	-	(577)
Cash Payments for Local Assistance	-	(1,454)	-	-	-	-	-
Cash Payments for Prizes	-	-	-	(14,228)	-	-	-
Other Operating Revenues	-	47	99	-	-	-	5,687
Net Cash Provided by (Used for) Operating Activities	2,299	9,117	343	6,075	203	141	537
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Payment of Principal and Interest on Bonds and Notes	(5,330)	-	-	-	-	-	-
Proceeds from Issuance of Bonds and Notes	10,825	-	-	-	-	-	-
Payment of Bond Issuance Costs	(207)	-	-	-	-	-	-
Collection of Taxes	-	10,130	-	-	-	-	-
Transfers to Other Funds	-	(18,193)	(5)	(6,507)	-	-	-
Transfers from Other Funds	-	87	-	-	-	-	-
Payment of Interfund Loans	-	-	-	-	-	-	-
Residual Equity Transfers to Other Funds	-	-	-	-	-	-	-
Contributed Capital Transfers from Other Funds	-	-	-	-	21	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	5,288	(7,976)	(5)	(6,507)	21	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of Fixed Assets	(6)	(114)	(8)	(29)	(217)	(73)	(6)
Proceeds from Sale of Fixed Assets	-	-	-	-	-	35	-
Principal and Interest Payments on Bonds and Notes	-	-	-	-	-	-	(1)
Net Cash Used for Capital and Related Financing Activities	(6)	(114)	(8)	(29)	(217)	(38)	(7)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of Investments	(10,542)	-	(3,013)	-	-	-	-
Proceeds from Sales or Maturities of Investments	7,613	-	16	-	-	-	-
Proceeds from Securities Lending Transactions	1	-	33	8	-	-	4
Interest and Dividends on Investments	456	-	220	211	-	-	60
Payment of Securities Lending Costs	(1)	-	(31)	(7)	-	-	(4)
Collections of Principal and Interest on Loans	6,627	-	-	-	-	-	-
Cash Payments for Loans	(12,586)	-	-	-	-	-	-
Arbitrage Rebate Tax	(85)	-	-	-	-	-	-
Net Cash Provided by (Used for) Investing Activities	(8,517)	-	(2,775)	212	-	-	60
Net Increase (Decrease) in Cash and Cash Equivalents	(936)	1,027	(2,445)	(249)	7	103	590
Cash and Cash Equivalents, July 1	5,039	2,141	5,132	2,482	907	231	913
Cash and Cash Equivalents, June 30	\$ 4,103	\$ 3,168	\$ 2,687	\$ 2,233	\$ 914	\$ 334	\$ 1,503

SUBSEQUENT INJURY	MT CAREER INFO SYS	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	DEF COMP ADMIN	FLEXIBLE SPENDING ADMIN
\$ 541	\$ 118	\$ 1,829	\$ 640	\$ 679	\$ 108	\$ 259	2 \$	2,615
(7)	(65)	(576)	(398)	(334)	(42)	(56)	(2)	(70)
(10)	(61)	(899)	(287)	(247)	(36)	(148)	-	-
(237)	-	-	-	-	-	-	-	(2,465)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-
292	(8)	354	(45)	98	30	55	-	80
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	55	-	30	-	-	-
-	-	-	-	-	-	(35)	-	-
(500)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(500)	-	-	55	-	30	(35)	-	-
-	-	-	-	-	-	-	-	-
-	(11)	(26)	(20)	(49)	(7)	(4)	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(11)	-	-	-	-
-	(11)	(26)	(20)	(60)	(7)	(4)	-	-
(1,297)	-	-	-	-	-	-	-	-
923	-	-	-	-	-	-	-	-
144	-	-	-	-	-	-	-	-
329	-	-	-	-	-	-	-	-
(137)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(38)	-	-	-	-	-	-	-	-
(246)	(19)	328	(10)	38	53	16	-	80
525	60	786	147	155	126	335	-	-
\$ 279	\$ 41	\$ 1,114	\$ 137	\$ 193	\$ 179	\$ 351	- \$	80

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Sales and Services	\$ 4	\$ -	\$ -	\$ 83,897
Payments to Suppliers for Goods and Services	(1)	-	-	(42,826)
Payments to Employees	(2)	-	-	(6,577)
Cash Payments for Claims	-	-	-	(5,078)
Cash Payments for Local Assistance	-	-	-	(1,454)
Cash Payments for Prizes	-	-	-	(14,228)
Other Operating Revenues	-	-	-	5,838
Net Cash Provided by (Used for) Operating Activities	1	-	-	19,572
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Payment of Principal and Interest on Bonds and Notes	-	-	-	(5,330)
Proceeds from Issuance of Bonds and Notes	-	-	-	10,825
Payment of Bond Issuance Costs	-	-	-	(207)
Collection of Taxes	-	-	-	10,130
Transfers to Other Funds	-	-	-	(24,705)
Transfers from Other Funds	-	-	-	172
Payment of Interfund Loans	-	-	-	(35)
Residual Equity Transfers to Other Funds	-	-	-	(500)
Contributed Capital Transfers from Other Funds	-	-	-	21
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-	-	(9,629)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Fixed Assets	-	-	-	(570)
Proceeds from Sale of Fixed Assets	-	-	-	35
Principal and Interest Payments on Bonds and Notes	-	-	-	(12)
Net Cash Used for Capital and Related Financing Activities	-	-	-	(547)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments	-	-	-	(14,852)
Proceeds from Sales or Maturities of Investments	-	-	-	8,552
Proceeds from Securities Lending Transactions	-	-	-	190
Interest and Dividends on Investments	-	-	-	1,276
Payment of Securities Lending Costs	-	-	-	(180)
Collections of Principal and Interest on Loans	-	-	-	6,627
Cash Payments for Loans	-	-	-	(12,586)
Arbitrage Rebate Tax	-	-	-	(85)
Net Cash Provided by (Used for) Investing Activities	-	-	-	(11,058)
Net Increase (Decrease) in Cash and Cash Equivalents	1	-	-	(1,662)
Cash and Cash Equivalents, July 1	8	2	2	18,991
Cash and Cash Equivalents, June 30	\$ 9	\$ 2	\$ 2	\$ 17,329

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	ECONOMIC DEVELOPMENT BONDS	LIQUOR STORES	HAIL INSURANCE	STATE LOTTERY	PRISON RANCH	PRISON INDUSTRIES	UNINSURED EMPLOYERS
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Operating Income (Loss)	\$ 409	\$ 15,345	\$ 694	\$ 6,609	\$ 76	\$ 34	858
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:							
Depreciation	4	24	2	97	209	108	3
Amortization	-	-	-	-	3	3	-
Taxes	-	(10,130)	-	-	-	-	-
Interest Expense	2,233	-	-	-	-	-	-
Securities Lending Expense	1	-	43	7	-	-	4
Interest on Investments	(629)	-	(286)	(212)	-	-	(60)
Securities Lending Income	(1)	-	(45)	(8)	-	-	(4)
Arbitrage Rebate Tax	244	-	-	-	-	-	-
Change in Assets and Liabilities:							
Decr (Incr) in Accounts Receivable	-	3,396	317	(160)	6	39	(314)
Decr (Incr) in Due From Other Funds	-	-	-	(17)	(20)	14	16
Decr (Incr) in Due From Component Units	6	-	-	-	-	107	-
Decr (Incr) in Inventories	-	(25)	-	(335)	(150)	(169)	-
Decr (Incr) in Long-Term Loans/Notes Rec	-	-	-	-	-	-	-
Decr (Incr) in Other Assets	-	4,377	-	(126)	-	-	-
Incr (Decr) in Accounts Payable	(2)	386	5	33	52	(7)	(1)
Incr (Decr) in Lottery Prizes Payable	-	-	-	192	-	-	-
Incr (Decr) in Due to Other Funds	(1)	(48)	14	(26)	7	2	12
Incr (Decr) in Due to Component Units	-	-	-	1	-	-	-
Incr (Decr) in Due to Other Governments	-	-	13	-	-	-	-
Incr (Decr) in Deferred Revenue	(28)	155	(302)	22	-	10	-
Incr (Decr) in Property Held in Trust	64	(4,379)	-	-	-	-	-
Incr (Decr) in Compensated Absences Pay	(1)	16	2	(2)	20	-	23
Incr (Decr) in Estimated Claims	-	-	(114)	-	-	-	-
Net Cash Provided by (Used for)							
Operating Activities	\$ 2,299	\$ 9,117	\$ 343	\$ 6,075	\$ 203	\$ 141	537
SCHEDULE OF NONCASH TRANSACTIONS:							
Asset Acquisitions from Contributed							
Capital Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Noncash Transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Enterprise Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	SUBSEQUENT INJURY	MT CAREER INFO SYS	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 513	\$ (2)	\$ 314	\$ (83)	148
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Depreciation	-	-	72	10	30
Amortization	-	-	-	-	1
Taxes	-	-	-	-	-
Interest Expense	-	-	-	-	1
Securities Lending Expense	149	-	-	-	-
Interest on Investments	(319)	-	-	-	-
Securities Lending Income	(157)	-	-	-	-
Arbitrage Rebate Tax	-	-	-	-	-
Change in Assets and Liabilities:					
Decr (Incr) in Accounts Receivable	(76)	-	2	(8)	(82)
Decr (Incr) in Due From Other Funds	-	5	(6)	-	-
Decr (Incr) in Due From Component Units	3	-	-	-	-
Decr (Incr) in Inventories	-	-	-	(24)	-
Decr (Incr) in Long-Term Loans/Notes Rec	-	-	-	-	-
Decr (Incr) in Other Assets	-	-	(7)	-	34
Incr (Decr) in Accounts Payable	46	3	(1)	15	2
Incr (Decr) in Lottery Prizes Payable	-	-	-	-	-
Incr (Decr) in Due to Other Funds	-	2	(34)	21	-
Incr (Decr) in Due to Component Units	-	-	1	2	(11)
Incr (Decr) in Due to Other Governments	-	-	-	-	-
Incr (Decr) in Deferred Revenue	-	(15)	(9)	14	-
Incr (Decr) in Property Held in Trust	-	-	15	-	(24)
Incr (Decr) in Compensated Absences Pay	-	(1)	7	8	(1)
Incr (Decr) in Estimated Claims	133	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 292</u>	<u>\$ (8)</u>	<u>\$ 354</u>	<u>\$ (45)</u>	<u>98</u>
SCHEDULE OF NONCASH TRANSACTIONS:					
Asset Acquisitions from Contributed Capital Transfers from Other Funds	\$ -	\$ -	\$ -	\$ -	2,239
Total Noncash Transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,239</u>

WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	DEF COMP ADMIN	FLEXIBLE SPENDING ADMIN	DEPT OF AGRICULTURE	SWAN RIVER VOCATIONAL TRAINING	WOMEN'S PRISON INDUSTRIES	TOTALS
\$ (1) \$	41 \$	- \$	80 \$	(1) \$	- \$	- \$	25,034
24	11	-	-	2	-	-	596
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	(10,130)
-	-	-	-	-	-	-	2,234
-	-	-	-	-	-	-	204
-	-	-	-	-	-	-	(1,506)
-	-	-	-	-	-	-	(215)
-	-	-	-	-	-	-	244
-	1	-	-	-	-	-	3,121
18	-	(242)	-	-	-	-	(232)
-	-	-	-	-	-	-	116
-	-	-	-	-	-	-	(703)
-	-	-	-	-	-	-	-
-	1	-	-	-	-	-	4,279
(14)	-	242	-	-	-	-	759
-	-	-	-	-	-	-	192
2	-	-	-	-	-	-	(49)
-	-	-	-	-	-	-	(7)
-	-	-	-	-	-	-	13
-	-	-	-	-	-	-	(153)
-	-	-	-	-	-	-	(4,324)
1	1	-	-	-	-	-	73
-	-	-	-	-	-	-	19
<u>\$ 30 \$</u>	<u>55 \$</u>	<u>- \$</u>	<u>80 \$</u>	<u>1 \$</u>	<u>- \$</u>	<u>- \$</u>	<u>19,572</u>
\$ 5 \$	- \$	- \$	- \$	- \$	- \$	- \$	2,244
<u>\$ 5 \$</u>	<u>- \$</u>	<u>- \$</u>	<u>- \$</u>	<u>- \$</u>	<u>- \$</u>	<u>- \$</u>	<u>2,244</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for operations that provide goods or services to other agencies or programs of state government on a cost-reimbursement basis. A brief description of each Internal Service Fund follows:

Office Supplies & Equipment - Four internal service funds under the Departments of Fish, Wildlife and Parks (FWP Equipment, FWP Warehouse Inventory & FWP Office Supply) and Transportation (Highway Equipment) are used to account for inter- and intradepartmental sales and use of office supplies and equipment.

Employees Group Benefits - This fund receives employee (excluding higher education units) withholdings and State contributions to the medical self-insurance plan. The State contracted with Blue Cross and Blue Shield of Montana to oversee the administrative functions of the program.

Information Services Division (ISD) - State agencies and private users are assessed a fee for their use of the State's phone system, centralized data processing and systems design services provided by the Department of Administration.

MUS Group Insurance - This fund accounts for employee contributions to the Montana University System's (MUS) medical/dental self-insurance plan.

Admin. Insurance - The Department of Administration accounts for the State's property self-insurance program (including liability, property, flood, etc.) in this fund.

Motor Pool - State employees' transportation is provided by the Department of Transportation through a pool of vehicles. The cost of operating the Motor Pool are recovered through rental rates charged to user agencies based on the average operating costs per mile for each class of vehicle.

Admin. Supply - The Department of Administration accounts for the intragovernmental sales of office supplies and paper products to State agencies in this fund.

Publications & Graphics - Agencies are assessed a fee for duplicating, typesetting, forms design and graphic arts services.

Buildings & Grounds - Rent proceeds from State agencies are used to pay maintenance, security and landscaping costs for State-owned property.

Central Services - Funds are used by the Departments of Commerce, Labor and Industry and Office of Public Instruction for administrative services provided on a cost recovery basis to programs within the departments.

DEQ Indirect Cost Pool - This fund is used to account for funds collected as indirect costs from the operating units of the Department of Environmental Quality and used to fund the Department's indirect cost pool operations that provide services to the Department.

PHHS Indirect Cost Pool - This fund is used to account for funds collected as indirect costs from the operating units of the Department of Public Health and Human Services and used to fund the Department's indirect cost pool operations that provide services to the Department.

Mail & Messenger - This fund accounts for costs associated with intrastate government mail and package delivery.

Payroll Processing - This fund accounts for the payments received from State agencies for the costs associated with the processing of payroll warrants.

Warrant Processing - This fund accounts for the payments received from State agencies for the costs associated with the processing of all warrants other than payroll.

Investment Division - This fund accounts for costs associated with operations of the Board of Investments. The Board assists agencies in the investment of State funds. Costs of administering and accounting for each investment fund are allocated based on the dollar volume of investments held by user agencies.

Aircraft Operations - The Department of State Lands accounts for fees charged to users of State aircraft in this fund.

Legal Services - The Attorney General's Office and the Department of Justice charge other State agencies a fee for legal assistance. The Departments of Administration and Health & Environmental Quality fund legal services with intradepartmental fees.

Personnel Training - This fund accounts for fees charged State agencies for training State employees. The fees are used by the Department of Administration to pay instructors and purchase training materials.

Records Management - State agencies are assessed a fee for records storage and microfilm services provided by the Office of the Secretary of State.

Debt Collections - This fund accounts for fees charged for the collection of bad debts that have been transferred to the Department of Administration.

Local Government Admin. - This fund accounts for the costs incurred by the Administrator of the Local Government Assistance Division in the Department of Commerce and the allocation of these costs to other programs within the division.

Statewide Fueling Network - This fund accounts for the costs associated with the development of a statewide fueling network which will allow State agencies and local governments to utilize a single fueling network and management information system for all fueling transactions.

Natural Gas Procurement - State agencies are charged for the centralized payment of natural gas procurement and associated administrative costs as provided by the Department of Administration.

Admin. DP Unit - This fund accounts for data processing support costs incurred by General Fund and non-General Fund divisions within the Department of Administration.

STATE OF MONTANA
Combining Balance Sheet
Internal Service Funds
June 30, 1997
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT	MOTOR POOL	ADMIN. SUPPLY
ASSETS:								
Cash/Cash Equivalents	\$ 1,391	\$ 3,697	\$ 1,041	\$ 4,020	\$ 1,748	\$ 689	\$ 371	\$ 710
Receivables (Net)	304	458	29	2	63	3	-	33
Interfund Loans Receivable	-	440	-	-	-	-	-	-
Due from Other Governments	10	-	-	-	-	9	-	-
Due from Component Units	-	-	176	823	-	2	-	18
Due from Other Funds	395	-	1,465	272	7	349	194	108
Inventories	-	-	-	-	-	-	-	623
Investments	-	29,102	-	-	5,708	-	-	-
Securities Lending Collateral	-	14,610	-	101	5,916	-	-	-
Land	-	-	-	-	-	-	236	-
Buildings/Improvements	-	-	-	-	-	5	-	4
Equipment	80,896	38	35,583	41	61	7,464	4,323	213
Other Fixed Assets	-	-	-	-	-	-	-	-
Construction in Progress	1,672	-	-	-	-	-	-	-
Accumulated Depreciation	(40,584)	(14)	(29,480)	(29)	(33)	(3,191)	(1,566)	(143)
Intangible Assets	-	-	-	-	1	-	-	2
Other Assets	-	-	52	-	6	-	-	6
TOTAL ASSETS	\$ 44,084	\$ 48,331	\$ 8,866	\$ 5,230	\$ 13,477	\$ 5,330	\$ 3,558	\$ 1,574
LIABILITIES/FUND EQUITY:								
Liabilities:								
Accounts Payable	\$ 145	\$ 1,016	\$ 348	\$ 56	\$ 131	\$ 156	\$ 38	\$ 29
Interfund Loans Payable	-	-	-	-	-	-	-	-
Due to Component Units	-	-	18	20	4	-	-	-
Due to Other Funds	387	57	386	9	64	5	11	24
Deferred Revenue	-	-	-	818	-	-	-	-
Lease/Installment Purchase Payable	-	-	2,550	-	-	-	-	-
Bonds/Notes Payable	-	-	-	-	-	-	2,314	-
Property Held in Trust	-	-	11	-	-	-	-	-
Securities Lending Liability	-	14,610	-	101	5,916	-	-	-
Compensated Absences Payable	523	38	800	23	56	4	10	41
Estimated Insurance Claims	-	7,156	-	3,700	12,825	-	-	-
Total Liabilities	1,055	22,877	4,113	4,727	18,996	165	2,373	94
Fund Equity:								
Contributed Capital	2,601	-	1,671	-	3	624	10	-
Retained Earnings: Unreserved	40,428	25,454	3,082	503	(5,522)	4,541	1,175	1,480
Total Fund Equity	43,029	25,454	4,753	503	(5,519)	5,165	1,185	1,480
TOTAL LIABILITIES/FUND EQUITY	\$ 44,084	\$ 48,331	\$ 8,866	\$ 5,230	\$ 13,477	\$ 5,330	\$ 3,558	\$ 1,574

	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DEQ INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER	PAYROLL PROCESSING
\$	869	\$ 1,113	\$ 498	\$ 253	\$ 299	\$ 46	\$ 168	101
	2	24	-	-	-	-	4	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	22	-	-	7	1	-	2	-
	208	42	111	127	178	4	77	-
	119	-	-	-	-	175	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	1,261	259	462	341	310	-	410	10
	-	-	-	2	-	-	-	-
	-	-	-	-	-	-	-	-
	(772)	(164)	(299)	(148)	(114)	-	(191)	(4)
	2	-	7	11	2	-	6	-
	-	1	-	7	-	-	56	-
\$	1,711	\$ 1,275	\$ 779	\$ 600	\$ 676	\$ 225	\$ 532	107
\$	320	\$ 143	\$ 10	\$ 10	\$ 20	\$ -	\$ 17	-
	-	-	-	-	-	-	25	-
	-	-	1	2	-	-	-	-
	60	98	96	142	88	-	29	50
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	47	-
	-	-	-	-	-	-	-	-
	-	-	-	12	-	-	-	-
	-	-	-	-	-	-	-	-
	78	88	191	257	214	-	43	24
	-	-	-	-	-	-	-	-
	458	329	298	423	322	-	161	74
	-	6	33	23	296	85	-	107
	1,253	940	448	154	58	140	371	(74)
	1,253	946	481	177	354	225	371	33
\$	1,711	\$ 1,275	\$ 779	\$ 600	\$ 676	\$ 225	\$ 532	107

(Continued on Next Page)

STATE OF MONTANA
Combining Balance Sheet - Continued
Internal Service Funds
June 30, 1997
(Expressed in Thousands)

	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT	FWP OFFICE SUPPLY
ASSETS:								
Cash/Cash Equivalents	\$ 85	\$ 155	\$ 391	\$ 48	\$ 74	\$ 7	\$ 75	\$ 25
Receivables (Net)	-	9	-	-	-	2	5	-
Interfund Loans Receivable	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Due from Component Units	18	20	-	2	-	-	4	-
Due from Other Funds	53	121	11	65	141	17	41	6
Inventories	-	-	-	-	-	-	-	9
Investments	-	-	-	-	-	-	-	-
Securities Lending Collateral	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
Buildings/Improvements	-	-	-	-	-	-	-	-
Equipment	71	249	54	19	86	33	301	68
Other Fixed Assets	-	-	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-	-	-
Accumulated Depreciation	(29)	(111)	(18)	(6)	(55)	(24)	(177)	(62)
Intangible Assets	-	-	-	-	-	-	-	-
Other Assets	-	7	1	-	-	1	11	-
TOTAL ASSETS	\$ 198	\$ 450	\$ 439	\$ 128	\$ 246	\$ 36	\$ 260	\$ 46
LIABILITIES/FUND EQUITY:								
Liabilities:								
Accounts Payable	\$ 3	\$ 10	\$ 18	\$ 6	\$ 1	\$ 2	\$ 1	\$ 2
Interfund Loans Payable	-	-	-	60	-	-	-	-
Due to Component Units	-	1	-	-	-	-	-	-
Due to Other Funds	35	96	21	118	43	13	28	3
Deferred Revenue	-	-	-	-	-	-	19	-
Lease/Installment Purchase Payable	-	-	-	-	-	-	-	-
Bonds/Notes Payable	-	-	-	-	-	-	-	-
Property Held in Trust	-	-	-	-	-	-	-	-
Securities Lending Liability	-	-	-	-	-	-	-	-
Compensated Absences Payable	17	160	35	101	53	18	25	1
Estimated Insurance Claims	-	-	-	-	-	-	-	-
Total Liabilities	55	267	74	285	97	33	73	6
Fund Equity:								
Contributed Capital	36	20	-	-	-	1	220	25
Retained Earnings: Unreserved	107	163	365	(157)	149	2	(33)	15
Total Fund Equity	143	183	365	(157)	149	3	187	40
TOTAL LIABILITIES/FUND EQUITY	\$ 198	\$ 450	\$ 439	\$ 128	\$ 246	\$ 36	\$ 260	\$ 46

	DEBT COLLECTIONS	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	STATEWIDE FUELING NETWORK	NATURAL GAS PROCUREMENT	ADMIN. DP UNIT	TOTALS
\$	84	\$ 7	\$ -	\$ 10	\$ 3	\$ 13	17,991
	-	-	-	-	-	-	938
	-	-	-	-	-	-	440
	-	-	-	-	-	-	19
	-	-	-	-	-	-	1,095
	6	-	8	-	-	3	4,009
	-	-	-	-	-	-	926
	-	-	-	-	-	-	34,810
	-	-	-	-	-	-	20,627
	-	-	-	-	-	-	236
	-	-	-	-	-	-	9
	7	3	-	10	1	3	132,577
	-	-	-	-	-	-	2
	-	-	-	-	-	-	1,672
	(4)	(1)	-	(5)	(1)	(1)	(77,226)
	-	-	-	-	-	-	31
	-	-	-	-	-	-	148
\$	93	\$ 9	\$ 8	\$ 15	\$ 3	\$ 18	138,304
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	2,482
	-	-	-	-	-	-	85
	-	-	-	-	-	-	46
	13	6	8	-	1	10	1,901
	-	-	-	-	-	-	837
	-	-	-	-	-	-	2,597
	-	-	-	-	-	-	2,314
	-	-	-	-	-	-	23
	-	-	-	-	-	-	20,627
	11	12	36	-	-	5	2,864
	-	-	-	-	-	-	23,681
	24	18	44	-	1	15	57,457
	5	-	-	3	-	-	5,769
	64	(9)	(36)	12	2	3	75,078
	69	(9)	(36)	15	2	3	80,847
\$	93	\$ 9	\$ 8	\$ 15	\$ 3	\$ 18	138,304

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Internal Service Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT	MOTOR POOL
OPERATING REVENUES:							
Charges for Services	\$ 16,569	\$ 14	\$ 18,506	\$ -	\$ 2	\$ 1,582	\$ 895
Investment Earnings	-	2,226	-	297	493	-	-
Securities Lending Income	-	1,025	-	21	257	-	-
Premiums	-	42,859	-	21,216	5,944	-	-
Other Operating Revenues	190	269	5	-	8	-	-
Total Operating Revenues	16,759	46,393	18,511	21,534	6,704	1,582	895
Intrafund Revenues	-	-	(240)	-	-	-	-
Net Operating Revenues	16,759	46,393	18,271	21,534	6,704	1,582	895
OPERATING EXPENSES:							
Personal Services	4,320	350	5,556	119	461	55	176
Contractual Services	820	1,136	1,267	1,564	2,543	126	96
Supplies/Materials	3,731	6	1,025	17	13	569	282
Benefits/Claims (Note 3)	-	43,045	-	23,019	893	-	-
Depreciation	4,464	5	4,779	3	11	470	445
Amortization	-	-	-	-	1	-	-
Utilities/Rent	59	14	2,677	1	17	17	9
Communications	8	40	6,893	4	12	3	2
Travel	27	1	119	4	7	1	-
Repair/Maintenance	2,467	1	1,055	-	1	418	47
Interest Expense	-	-	265	-	-	-	23
Securities Lending Expense	-	973	-	20	242	-	-
Other Operating Expenses	125	92	302	504	22	-	3
Total Operating Expenses	16,021	45,663	23,938	25,255	4,223	1,659	1,083
Intrafund Expenses	-	-	(240)	-	-	-	-
Net Operating Expenses	16,021	45,663	23,698	25,255	4,223	1,659	1,083
Operating Income (Loss)	738	730	(5,427)	(3,721)	2,481	(77)	(188)
NONOPERATING REVENUES (EXPENSES):							
Gain (Loss) Sale of Fixed Assets	183	(1)	(221)	-	-	(8)	195
Federal Indirect Cost Recoveries	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	183	(1)	(221)	-	-	(8)	195
Income (Loss) before Operating Transfers	921	729	(5,648)	(3,721)	2,481	(85)	7
Operating Transfers In	-	-	96	-	-	184	-
Operating Transfers Out	-	-	-	-	-	(1)	-
Net Income (Loss)	921	729	(5,552)	(3,721)	2,481	98	7
RETAINED EARNINGS - July 1 - As Previously Reported	39,507	24,724	8,634	4,224	(8,003)	4,455	1,168
Prior Period Adjustments	-	1	-	-	-	(12)	-
RETAINED EARNINGS - JULY 1 - As Restated	39,507	24,725	8,634	4,224	(8,003)	4,443	1,168
RETAINED EARNINGS - JUNE 30	\$ 40,428	25,454	\$ 3,082	\$ 503	\$ (5,522)	\$ 4,541	\$ 1,175

	ADMIN. SUPPLY	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DEQ INDIRECT COST POOL	PHHS INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER
\$	3,585	\$ 6,455	\$ 4,559	\$ 727	\$ 2,010	\$ 1,004	\$ -	\$ 86	\$ 3,358
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	36	-	-	-	-	-
	3,585	6,455	4,559	763	2,010	1,004	-	86	3,358
	-	-	-	-	-	-	-	-	-
	3,585	6,455	4,559	763	2,010	1,004	-	86	3,358
	303	862	801	1,334	1,864	1,375	-	4	308
	47	42	1,609	88	135	262	-	3	24
	3,170	5,144	125	42	49	68	19	85	11
	-	-	-	-	-	-	-	-	-
	23	124	17	43	28	28	-	-	47
	1	1	-	3	7	-	-	-	8
	63	83	1,415	97	81	71	-	1	34
	18	31	13	37	30	25	61	1	2,798
	1	1	14	15	15	7	-	-	6
	12	175	515	21	6	13	26	1	58
	1	-	50	-	-	-	-	-	5
	-	-	-	-	-	-	-	-	-
	4	11	70	23	107	23	366	-	10
	3,643	6,474	4,629	1,703	2,322	1,872	472	95	3,309
	-	-	-	-	-	-	-	-	-
	3,643	6,474	4,629	1,703	2,322	1,872	472	95	3,309
	(58)	(19)	(70)	(940)	(312)	(868)	(472)	(9)	49
	(2)	13	(1)	6	(1)	(1)	-	-	1
	-	-	-	971	73	675	-	-	-
	(2)	13	(1)	977	72	674	-	-	1
	(60)	(6)	(71)	37	(240)	(194)	(472)	(9)	50
	-	-	22	-	-	-	-	-	-
	-	-	(102)	-	-	-	(10)	-	-
	(60)	(6)	(151)	37	(240)	(194)	(482)	(9)	50
	1,540	1,259	1,194	406	386	295	206	149	321
	-	-	(103)	5	8	(43)	276	-	-
	1,540	1,259	1,091	411	394	252	482	149	321
\$	1,480	\$ 1,253	\$ 940	\$ 448	\$ 154	\$ 58	\$ -	\$ 140	\$ 371

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES	PERSONNEL TRAINING
OPERATING REVENUES:							
Charges for Services	\$ 565	\$ 818	\$ 1,651	\$ 448	\$ 733	\$ 40	\$ 189
Investment Earnings	-	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-	-
Premiums	-	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-	-
Total Operating Revenues	565	818	1,651	448	733	40	189
Intrafund Revenues	-	-	-	-	-	-	-
Net Operating Revenues	565	818	1,651	448	733	40	189
OPERATING EXPENSES:							
Personal Services	177	167	1,207	236	657	542	133
Contractual Services	391	182	121	39	74	147	35
Supplies/Materials	3	5	29	83	11	26	8
Benefits/Claims (Note 3)	-	-	-	-	-	-	-
Depreciation	2	17	26	14	8	8	3
Amortization	-	-	2	-	-	-	-
Utilities/Rent	7	6	91	51	26	161	8
Communications	7	372	35	8	11	43	8
Travel	-	-	30	10	8	5	13
Repair/Maintenance	1	9	9	274	4	39	1
Interest Expense	-	-	-	-	1	-	-
Securities Lending Expense	-	-	-	-	-	-	-
Other Operating Expenses	4	32	119	15	4	18	3
Total Operating Expenses	592	790	1,669	730	804	989	212
Intrafund Expenses	-	-	-	-	-	-	-
Net Operating Expenses	592	790	1,669	730	804	989	212
Operating Income (Loss)	(27)	28	(18)	(282)	(71)	(949)	(23)
NONOPERATING REVENUES (EXPENSES):							
Gain (Loss) Sale of Fixed Assets	(1)	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	598	-
Total Nonoperating Revenues (Expenses)	(1)	-	-	-	-	598	-
Income (Loss) before Operating Transfers	(28)	28	(18)	(282)	(71)	(351)	(23)
Operating Transfers In	-	-	-	402	-	425	-
Operating Transfers In	-	-	-	-	-	-	-
Net Income (Loss)	(28)	28	(18)	120	(71)	74	(23)
RETAINED EARNINGS - July 1 - As Previously Reported	(46)	79	185	245	(86)	75	25
Prior Period Adjustments	-	-	(4)	-	-	-	-
RETAINED EARNINGS - JULY 1 - As Restated	(46)	79	181	245	(86)	75	25
RETAINED EARNINGS - JUNE 30	\$ (74)	\$ 107	\$ 163	\$ 365	\$ (157)	\$ 149	\$ 2

	RECORDS MANAGEMENT	FWP OFFICE SUPPLY	DEBT COLLECTIONS	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	STATEWIDE FUELING NETWORK	NATURAL GAS PROCUREMENT	ADMIN. DP UNIT	TOTALS
\$	454	\$ 63	\$ 266	\$ 103	\$ 124	\$ 9	- \$	66	\$ 64,881
	-	-	-	-	-	-	-	-	3,016
	-	-	-	-	-	-	-	-	1,303
	-	-	-	-	-	-	-	-	70,019
	31	-	-	-	-	-	-	-	539
	485	63	266	103	124	9	-	66	139,758
	-	-	-	-	-	-	-	-	(240)
	485	63	266	103	124	9	-	66	139,518
	343	24	144	99	116	-	-	55	21,788
	72	1	66	2	2	3	-	5	10,902
	26	20	3	-	-	1	-	5	14,576
	-	-	-	-	-	-	-	-	66,957
	12	-	2	1	-	4	-	-	10,584
	-	-	-	-	-	-	-	-	23
	56	1	3	3	-	-	-	-	5,052
	13	1	7	1	2	3	-	1	10,488
	-	-	-	-	-	5	-	-	289
	9	18	1	-	-	-	-	-	5,181
	-	-	-	-	-	-	-	-	345
	-	-	-	-	-	-	-	-	1,235
	3	-	3	2	9	-	-	2	1,876
	534	65	229	108	129	16	-	68	149,296
	-	-	-	-	-	-	-	-	(240)
	534	65	229	108	129	16	-	68	149,056
	(49)	(2)	37	(5)	(5)	(7)	-	(2)	(9,538)
	-	-	-	-	-	-	-	-	162
	-	-	-	-	-	-	-	-	2,317
	-	-	-	-	-	-	-	-	2,479
	(49)	(2)	37	(5)	(5)	(7)	-	(2)	(7,059)
	-	-	-	-	-	-	-	-	1,129
	-	-	-	-	-	-	-	-	(113)
	(49)	(2)	37	(5)	(5)	(7)	-	(2)	(6,043)
	12	17	27	(4)	(31)	19	2	5	80,989
	4	-	-	-	-	-	-	-	132
	16	17	27	(4)	(31)	19	2	5	81,121
\$	(33)	\$ 15	\$ 64	\$ (9)	\$ (36)	\$ 12	\$ 2	\$ 3	\$ 75,078

STATE OF MONTANA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Sales and Services	\$ 16,501	\$ 42,877	\$ 19,591	\$ 21,264	\$ 5,939	\$ 1,571
Payments to Suppliers for Goods and Services	(7,311)	(1,271)	(13,555)	(2,020)	(2,682)	(1,016)
Payments to Employees	(4,266)	(343)	(5,489)	(115)	(443)	(53)
Grant Receipts	-	-	-	-	-	-
Cash Payments for Claims	-	(42,926)	-	(22,419)	(3,010)	-
Transfers from Other Funds	-	-	96	-	-	-
Other Operating Revenue	-	269	5	-	8	-
Net Cash Provided by (Used for) Operating Activities	4,924	(1,394)	648	(3,290)	(188)	502
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Proceeds from Issuance of Bonds and Notes	-	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-	(1)
Transfers from Other Funds	-	-	-	-	-	209
Proceeds from Interfund Loans	-	-	-	-	-	-
Interfund Loan Payments	-	(440)	-	-	-	-
Residual Equity Transfers to Other Funds	-	-	-	-	-	-
Contributed Capital Transfers to Other Funds	-	-	-	-	-	-
Contributed Capital Transfers from Other Funds	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	(440)	-	-	-	208
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of Fixed Assets	(6,674)	(2)	(1,395)	(8)	-	(574)
Proceeds from Sale of Fixed Assets	479	-	-	-	-	237
Principal and Interest Payments on Bonds and Notes	-	-	(1,320)	-	-	-
Net Cash Used for Capital and Related Financing Activities	(6,195)	(2)	(2,715)	(8)	-	(337)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Investments	-	(8,580)	-	-	(5,732)	-
Proceeds from Sales or Maturities of Investments	-	7,861	-	-	5,731	-
Proceeds from Securities Lending Transactions	-	954	-	21	233	-
Interest and Dividends on Investments	-	2,295	-	298	538	-
Payment of Securities Lending Costs	-	(902)	-	(20)	(218)	-
Net Cash Provided by (Used for) Investing Activities	-	1,628	-	299	552	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,271)	(208)	(2,067)	(2,999)	364	373
Cash and Cash Equivalents, July 1	2,662	3,905	3,108	7,019	1,384	316
Cash and Cash Equivalents, June 30	\$ 1,391	\$ 3,697	\$ 1,041	\$ 4,020	\$ 1,748	\$ 689

MOTOR POOL	ADMIN. SUPPLY	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DEQ INDIRECT COST POOL	PHHS INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER
\$ 910 (445) (173) - - -	\$ 3,795 (3,310) (294) - - -	\$ 6,491 (5,510) (852) - - -	\$ 4,642 (3,780) (792) - - -	\$ 759 (323) (1,308) 944 - -	\$ 1,995 (430) (1,819) 73 - -	\$ 905 (498) (1,378) 874 - -	\$ - (472) - (1) - 324 -	\$ 91 (104) (4) - - -	\$ 3,376 (2,880) (299) - - -
292	191	129	70	72	(181)	(97)	(149)	(17)	197
2,292	-	-	-	-	-	-	-	-	-
-	-	-	(102)	-	-	-	(11)	-	-
-	-	-	59	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	150
-	-	-	-	-	-	-	-	-	(225)
-	-	-	-	-	-	(77)	-	-	-
(2,292)	-	-	-	-	-	-	-	-	-
882	-	-	-	-	-	-	77	-	-
882	-	-	(43)	-	-	(77)	66	-	(75)
(1,168)	(2)	(129)	(18)	(38)	(56)	(83)	-	-	(15)
300	-	-	-	17	20	-	-	-	1
-	(11)	-	(50)	-	-	-	-	-	(83)
(868)	(13)	(129)	(68)	(21)	(36)	(83)	-	-	(97)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
306	178	-	(41)	51	(217)	(257)	(83)	(17)	25
65	532	869	1,154	447	470	556	83	63	143
\$ 371	\$ 710	\$ 869	\$ 1,113	\$ 498	\$ 253	\$ 299	\$ -	\$ 46	\$ 168

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Sales and Services	\$ 565	\$ 819	\$ 1,557	\$ 475	\$ 733	40
Payments to Suppliers for Goods and Services	(409)	(626)	(429)	(476)	(136)	(442)
Payments to Employees	(176)	(164)	(1,202)	(229)	(636)	(531)
Grant Receipts	-	-	-	-	-	515
Cash Payments for Claims	-	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Net Cash Provided by (Used for)						
Operating Activities	(20)	29	(74)	(230)	(39)	(418)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Proceeds from Issuance of Bonds and Notes	-	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-	-
Transfers from Other Funds	-	-	-	403	-	425
Proceeds from Interfund Loans	-	-	-	-	45	-
Interfund Loan Payments	-	-	-	-	-	-
Residual Equity Transfers to Other Funds	-	-	-	-	-	-
Contributed Capital Transfers to Other Funds	-	-	-	-	-	-
Contributed Capital Transfers from Other Funds	-	1	-	-	-	-
Net Cash Provided by (Used for)						
Noncapital Financing Activities	-	1	-	403	45	425
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of Fixed Assets	(2)	(35)	(59)	(23)	(10)	(3)
Proceeds from Sale of Fixed Assets	-	-	-	-	-	-
Principal and Interest Payments on Bonds and Notes	-	-	-	-	(1)	-
Net Cash Used for Capital and Related Financing Activities	(2)	(35)	(59)	(23)	(11)	(3)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Investments	-	-	-	-	-	-
Proceeds from Sales or Maturities of Investments	-	-	-	-	-	-
Proceeds from Securities Lending Transactions	-	-	-	-	-	-
Interest and Dividends on Investments	-	-	-	-	-	-
Payment of Securities Lending Costs	-	-	-	-	-	-
Net Cash Provided by (Used for)						
Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(22)	(5)	(133)	150	(5)	4
Cash and Cash Equivalents, July 1	123	90	288	241	53	70
Cash and Cash Equivalents, June 30	\$ 101	\$ 85	\$ 155	\$ 391	\$ 48	74

PERSONNEL TRAINING	RECORDS MANAGEMENT	FWP OFFICE SUPPLY	DEBT COLLECTIONS	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	STATEWIDE FUELING NETWORK	NATURAL GAS PROCUREMENT	ADMIN. DP UNIT	TOTALS
\$ 180	\$ 477	\$ 58	\$ 297	\$ 102	\$ 123	\$ 9	-	64	\$ 136,206
(73)	(177)	(39)	(87)	(9)	(13)	(12)	-	(11)	(48,546)
(128)	(339)	(25)	(145)	(96)	(110)	-	-	(50)	(21,459)
-	-	-	-	-	-	-	-	-	2,405
-	-	-	-	-	-	-	-	-	(68,355)
-	-	-	-	-	-	-	-	-	420
-	-	-	-	-	-	-	-	-	282
(21)	(39)	(6)	65	(3)	-	(3)	-	3	953
-	-	-	-	-	-	-	-	-	2,292
-	-	-	-	-	-	-	-	-	(114)
-	-	-	-	-	-	-	-	-	1,096
-	-	-	-	-	-	-	-	-	195
-	-	-	-	-	-	-	-	-	(665)
-	-	-	-	-	-	-	-	-	(77)
-	-	-	-	-	-	-	-	-	(2,292)
-	-	-	-	-	-	-	-	-	960
-	-	-	-	-	-	-	-	-	1,395
(1)	(8)	-	(1)	-	-	(5)	-	(1)	(10,310)
-	-	-	-	-	-	-	-	-	1,054
-	-	-	-	-	-	-	-	-	(1,465)
(1)	(8)	-	(1)	-	-	(5)	-	(1)	(10,721)
-	-	-	-	-	-	-	-	-	(14,312)
-	-	-	-	-	-	-	-	-	13,592
-	-	-	-	-	-	-	-	-	1,208
-	-	-	-	-	-	-	-	-	3,131
-	-	-	-	-	-	-	-	-	(1,140)
-	-	-	-	-	-	-	-	-	2,479
(22)	(47)	(6)	64	(3)	-	(8)	-	2	(5,894)
29	122	31	20	10	-	18	3	11	23,885
\$ 7	\$ 75	\$ 25	\$ 84	\$ 7	\$ -	\$ 10	3	13	\$ 17,991

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	HIGHWAY EQUIPMENT	EMPLOYEES GROUP BENEFITS	ISD	MUS GROUP INSURANCE	ADMIN. INSURANCE	FWP EQUIPMENT
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 738	\$ 730	\$ (5,427)	\$ (3,721)	\$ 2,481	\$ (77)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:						
Depreciation	4,464	5	4,779	3	11	470
Amortization	-	-	-	-	1	-
Interest on Investments	-	(2,226)	-	(297)	(493)	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Interest Expense	-	-	265	-	-	-
Securities Lending Expense	-	973	-	20	242	-
Securities Lending Income	-	(1,025)	-	(21)	(257)	-
Operating Transfers-In	-	-	96	-	-	-
Change in Assets and Liabilities:						
Decr (Incr) in Accounts Receivable	(204)	(71)	4	14	30	1
Decr (Incr) in Due From Other Governments	(4)	-	-	-	-	(3)
Decr (Incr) in Due From Other Funds	(108)	3	(89)	(255)	(7)	(9)
Decr (Incr) in Due From Component Units	4	-	127	(382)	-	(2)
Decr (Incr) in Inventories	-	-	-	-	-	-
Decr (Incr) in Long-Term Loans/Notes Receivable	-	-	1,272	-	-	-
Decr (Incr) in Other Assets	-	-	65	-	-	-
Incr (Decr) in Accounts Payable	(93)	74	(433)	51	(65)	121
Incr (Decr) in Due to Other Funds	88	28	(75)	2	6	(1)
Incr (Decr) in Due to Component Units	-	-	-	19	4	-
Incr (Decr) in Deferred Revenue	-	-	-	674	-	-
Incr (Decr) in Property Held in Trust	-	(86)	(6)	-	-	-
Incr (Decr) in Compensated Absences Payable	39	4	70	3	14	2
Incr (Decr) in Estimated Claims	-	197	-	600	(2,155)	-
Net Cash Provided by (Used for)						
Operating Activities	<u>\$ 4,924</u>	<u>\$ (1,394)</u>	<u>\$ 648</u>	<u>\$ (3,290)</u>	<u>\$ (188)</u>	<u>\$ 502</u>
SCHEDULE OF NONCASH TRANSACTIONS:						
Fixed Asset Acquisitions from Capital Leases	\$ -	\$ -	\$ 1,536	\$ -	\$ -	\$ -
Asset Acquisitions from Contributed						
Capital Transfers from Other Funds	678	-	-	-	-	230
Asset Disposals from Contributed Capital	(34)	-	82	-	-	-
Total Noncash Transactions	<u>\$ 644</u>	<u>\$ -</u>	<u>\$ 1,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>

MOTOR POOL	ADMIN. SUPPLY	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	DEQ INDIRECT COST POOL	PHHS INDIRECT COST POOL	FWP WAREHOUSE INVENTORY	MAIL & MESSENGER
\$ (188) \$	(58) \$	(19) \$	(70) \$	(940) \$	(312) \$	(868) \$	(472) \$	(9) \$	49
445	23	124	17	43	28	28	-	-	47
-	1	1	-	3	7	-	-	-	8
-	-	-	-	-	-	-	-	-	-
-	-	-	-	971	73	675	-	-	-
23	1	-	50	-	-	-	-	-	5
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	124	(2)	(20)	-	-	-	-	-	(1)
-	-	-	-	-	-	-	-	-	-
(2)	76	16	88	(72)	(14)	119	324	5	47
1	17	22	1	-	(1)	(1)	-	-	(2)
-	47	-	-	-	-	-	-	(4)	-
-	-	-	-	-	-	-	-	-	-
-	7	-	11	-	2	-	-	-	57
10	(51)	4	(28)	3	1	(1)	-	(9)	(2)
1	(2)	(25)	15	52	36	(39)	(1)	-	(16)
-	(1)	-	-	1	2	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(34)	-	-	-	-
2	7	8	6	11	31	(10)	-	-	5
-	-	-	-	-	-	-	-	-	-
\$ 292 \$	191 \$	129 \$	70 \$	72 \$	(181) \$	(97) \$	(149) \$	(17) \$	197
\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
-	-	-	5	18	-	-	-	-	-
-	-	-	(109)	(9)	-	-	-	-	-
\$ - \$	- \$	- \$	(104) \$	9 \$	- \$	- \$	- \$	- \$	-

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Cash Flows - Continued
Internal Service Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL	OPI CENTRAL SERVICES
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (27)	\$ 28	\$ (18)	\$ (282)	\$ (71)	\$ (949)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:						
Depreciation	2	17	26	14	8	8
Amortization	-	-	2	-	-	-
Interest on Investments	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	598
Interest Expense	-	-	-	-	1	-
Securities Lending Expense	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Operating Transfers-In	-	-	-	-	-	-
Change in Assets and Liabilities:						
Decr (Incr) in Accounts Receivable	-	-	-	-	-	-
Decr (Incr) in Due From Other Governments	-	-	-	-	-	-
Decr (Incr) in Due From Other Funds	-	-	(85)	27	2	(82)
Decr (Incr) in Due From Component Units	-	1	(10)	-	(2)	-
Decr (Incr) in Inventories	-	-	-	-	-	-
Decr (Incr) in Long-Term Loans/Notes Receivable	-	-	-	-	-	-
Decr (Incr) in Other Assets	-	-	(3)	(1)	-	-
Incr (Decr) in Accounts Payable	(1)	-	6	5	2	(1)
Incr (Decr) in Due to Other Funds	6	(19)	12	2	11	-
Incr (Decr) in Due to Component Units	-	-	-	-	-	-
Incr (Decr) in Deferred Revenue	-	-	-	-	-	-
Incr (Decr) in Property Held in Trust	-	-	-	-	-	-
Incr (Decr) in Compensated Absences Payable	-	2	(4)	5	10	8
Incr (Decr) in Estimated Claims	-	-	-	-	-	-
Net Cash Provided by (Used for)						
Operating Activities	<u>\$ (20)</u>	<u>\$ 29</u>	<u>\$ (74)</u>	<u>\$ (230)</u>	<u>\$ (39)</u>	<u>\$ (418)</u>
SCHEDULE OF NONCASH TRANSACTIONS:						
Fixed Asset Acquisitions from Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-
Asset Acquisitions from Contributed						
Capital Transfers from Other Funds	-	-	9	-	-	-
Asset Disposals from Contributed Capital	-	-	-	-	-	-
Total Noncash Transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

PERSONNEL TRAINING	RECORDS MANAGEMENT	FWP OFFICE SUPPLY	DEBT COLLECTIONS	ADMIN. LEGAL	LOCAL GOVERNMENT ADMIN.	STATEWIDE FUELING NETWORK	NATURAL GAS PROCUREMENT	ADMIN. DP UNIT	TOTALS
\$ (23) \$	(49) \$	(2) \$	37 \$	(5) \$	(5) \$	(7) \$	- \$	(2) \$	(9,538)
3	12	-	2	1	-	4	-	-	10,584
-	-	-	-	-	-	-	-	-	23
-	-	-	-	-	-	-	-	-	(3,016)
-	-	-	-	-	-	-	-	-	2,317
-	-	-	-	-	-	-	-	-	345
-	-	-	-	-	-	-	-	-	1,235
-	-	-	-	-	-	-	-	-	(1,303)
-	-	-	-	-	-	-	-	-	96
(2)	-	-	-	-	-	-	-	-	(127)
-	-	-	-	-	-	-	-	-	(7)
(6)	(4)	(6)	30	-	(1)	-	-	(2)	(5)
-	(2)	-	-	-	-	-	-	-	(229)
-	-	(2)	-	-	-	-	-	-	41
-	-	-	-	-	-	-	-	-	1,272
-	(9)	-	-	-	-	-	-	-	129
-	1	2	(1)	-	-	-	-	-	(405)
3	20	2	(2)	-	1	-	-	8	113
-	-	-	-	-	-	-	-	-	25
-	(1)	-	-	-	-	-	-	-	673
-	-	-	-	-	-	-	-	-	(126)
4	(7)	-	(1)	1	5	-	-	(1)	214
-	-	-	-	-	-	-	-	-	(1,358)
\$ (21) \$	(39) \$	(6) \$	65 \$	(3) \$	- \$	(3) \$	-	3 \$	953
\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	-	- \$	1,536
-	-	-	-	-	-	-	-	-	940
-	-	-	-	-	-	-	-	-	(70)
\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	-	- \$	2,406

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These include: (1) Expendable Trust Funds; (2) Nonexpendable Trust Funds; (3) Pension Trust Funds; and (4) Agency Funds.

STATE OF MONTANA
Combining Balance Sheet
All Trust and Agency Fund Types
June 30, 1997
(Expressed in Thousands)

	EXPENDABLE TRUSTS	NON- EXPENDABLE TRUSTS	PENSION TRUSTS	AGENCY	TOTALS
ASSETS:					
Cash/Cash Equivalents	\$ 130,351	\$ 53,956	\$ 74,384	\$ 566,264	\$ 824,955
Receivables (Net)	21,531	15,188	16,561	63,870	117,150
Due from Other Governments	2	-	-	-	2
Due from Component Units	-	-	422	935	1,357
Due from Other Funds	2,263	429	10,174	25,348	38,214
Advances to Other Funds	-	-	-	31	31
Equity in Pooled Investments	88	864,786	2,230,431	312,289	3,407,594
Long-Term Loans Receivable	3,001	36	1,587	-	4,624
Investments	-	121,920	155,137	72,588	349,645
Securities Lending Collateral	352	120,340	281,050	8,182	409,924
Land	-	49,398	25	-	49,423
Buildings/Improvements	-	-	277	-	277
Equipment	-	-	145	-	145
Other Fixed Assets	-	2	-	-	2
Accumulated Depreciation	-	-	(211)	-	(211)
Intangible Assets	-	-	1	-	1
Other Assets	-	-	-	9,045	9,045
TOTAL ASSETS	\$ 157,588	\$ 1,226,055	\$ 2,769,983	\$ 1,058,552	\$ 5,212,178
LIABILITIES/FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 26,601	\$ 4,066	\$ 609	\$ 28,750	\$ 60,026
Interfund Loans Payable	12	588	-	440	1,040
Advances from other Funds	20	-	-	-	20
Due to Other Governments	-	-	-	323,077	323,077
Due to Component Units	-	277	-	17	294
Due to Other Funds	4	17,463	181	4,523	22,171
Deferred Revenue	1,478	45	21	-	1,544
Property Held in Trust	2,094	-	-	690,466	692,560
Securities Lending Liability	352	120,340	281,050	8,182	409,924
Compensated Absences Payable	-	-	107	-	107
Other Liabilities	-	-	-	3,097	3,097
Total Liabilities	30,561	142,779	281,968	1,058,552	1,513,860
Fund Balances:					
Reserved for:					
Long-Term Loans	3,001	-	-	-	3,001
Trust Principal	-	1,083,276	-	-	1,083,276
Retirement Systems	-	-	2,488,015	-	2,488,015
Unreserved	124,026	-	-	-	124,026
Total Fund Balances	127,027	1,083,276	2,488,015	-	3,698,318
TOTAL LIABILITIES/FUND BALANCES	\$ 157,588	\$ 1,226,055	\$ 2,769,983	\$ 1,058,552	\$ 5,212,178



EXPENDABLE TRUST FUNDS

Expendable Trust Funds are used to account for assets held by the State in a trustee capacity, where both the trust principal and earnings may be expended. A brief description of each Expendable Trust Fund follows:

Unemployment Insurance - This fund accounts for employer contributions deposited with the Secretary of the Treasury of the United States to the credit of Montana's unemployment trust fund. Unemployment benefits are paid from this fund to eligible recipients. Administrative costs are paid from a Special Revenue Fund.

Local Government Trust - This fund accounts for the portion of oil and gas severance, alcohol, gambling and financial institution corporation taxes that are distributed to local governments.

Rural Development - This fund accounts for programs authorized under the Bankhead Jones Farm Tenant Act. Resources are used by the Department of Agriculture under a federal use agreement for the purpose of aiding low income rural families.

Rail Construction - This fund accounts for principal and interest amounts used to provide loans or grants in accordance with the Federal Rail Administration guidelines for new rail rehabilitation projects in Montana.

Escheated Property - This fund accounts for property that has reverted to the State due to the absence of legal claimants or heirs.

Labor & Industry Compensation Insurance - This fund accounts for the proceeds from liquidated security bonds held on deposit from self-insured employers and other insurance companies in lieu of participating in the State Compensation Insurance. Administrative costs of operating the fund are paid from a Special Revenue Fund.

Historical Society General Trust - Deposits of the principal amounts of various stocks donated by numerous contributors in trust to the Society and the Charles Bair Memorial are accounted for in this fund. The principal can be expended for acquisitions approved by the Board of Trustees.

Woodville Highway Replacement - This fund accounts for money paid to the Montana Department of Transportation by the Anaconda Company to provide the government of Butte-Silver Bow with traffic facilities to replace the abandoned portion of U.S. Highway 91.

Rural Physician - This fund accounts for the fee assessments, educational debt payments and administrative costs associated with the rural physician incentive program administered by the Board of Regents of Higher Education.

Haynes Trust - This fund accounts for principal and interest earnings for conservation and restoration of items in the Haynes collection donated to the society.

Metal Mines Local Assistance - This fund accounts for the portion of metal mines taxes that are distributed to counties that are experiencing fiscal and local impacts due to mining.

State Library Trust - This fund accounts for principal and interest earnings for donations to the State Library for their talking book library.

School for Deaf & Blind - The School accounts for private donations in this fund.

STATE OF MONTANA
Combining Balance Sheet
Expendable Trust Funds
June 30, 1997
(Expressed in Thousands)

	UNEMPLOYMENT INSURANCE	LOCAL GOV'T TRUST	RURAL DEVELOPMENT	RAIL CONSTRUCTION	ESCHEATED PROPERTY	L&I COMP INSURANCE
ASSETS:						
Cash/Cash Equivalents	\$ 115,918	\$ 9,275	\$ 1,031	\$ 730	\$ 1,666	\$ 735
Receivables (Net)	4,934	16,565	13	-	-	-
Due from Other Governments	2	-	-	-	-	-
Due from Other Funds	2	2,254	7	-	-	-
Equity in Pooled Investments	-	-	-	-	-	-
Long-Term Loans/Notes Receivable	-	-	1,908	1,093	-	-
Securities Lending Collateral	-	236	27	20	-	20
TOTAL ASSETS	\$ 120,856	\$ 28,330	\$ 2,986	\$ 1,843	\$ 1,666	\$ 755
LIABILITIES/FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 45	\$ 26,538	\$ 2	\$ -	\$ -	\$ -
Interfund Loans Payable	-	-	-	-	-	-
Advances from Other Funds	20	-	-	-	-	-
Due to Other Funds	-	1	3	-	-	-
Deferred Revenue	-	1,471	-	-	-	-
Property Held in Trust	84	-	-	-	1,275	735
Securities Lending Liability	-	236	27	20	-	20
Total Liabilities	149	28,246	32	20	1,275	755
Fund Balances:						
Reserved for Long-Term Loans	-	-	1,908	1,093	-	-
Unreserved	120,707	84	1,046	730	391	-
Total Fund Balances	120,707	84	2,954	1,823	391	-
TOTAL LIABILITIES/FUND BALANCES	\$ 120,856	\$ 28,330	\$ 2,986	\$ 1,843	\$ 1,666	\$ 755

HISTORICAL SOCIETY GENERAL TRUST	WOODVILLE HIGHWAY REPLACEMENT	RURAL PHYSICIAN	HAYNES TRUST	METAL MINES LOCAL ASSISTANCE	STATE LIBRARY TRUST	TOTALS
\$ 309	\$ 240	\$ 407	\$ 18	\$ 6	\$ 16	\$ 130,351
-	-	-	-	19	-	21,531
-	-	-	-	-	-	2
-	-	-	-	-	-	2,263
88	-	-	-	-	-	88
-	-	-	-	-	-	3,001
32	6	11	-	-	-	352
<u>\$ 429</u>	<u>\$ 246</u>	<u>\$ 418</u>	<u>\$ 18</u>	<u>\$ 25</u>	<u>\$ 16</u>	<u>\$ 157,588</u>
\$ -	\$ 10	\$ -	\$ -	\$ 6	\$ -	\$ 26,601
-	-	-	-	12	-	12
-	-	-	-	-	-	20
-	-	-	-	-	-	4
-	-	-	-	7	-	1,478
-	-	-	-	-	-	2,094
32	6	11	-	-	-	352
<u>32</u>	<u>16</u>	<u>11</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>30,561</u>
-	-	-	-	-	-	3,001
397	230	407	18	-	16	124,026
<u>397</u>	<u>230</u>	<u>407</u>	<u>18</u>	<u>-</u>	<u>16</u>	<u>127,027</u>
<u>\$ 429</u>	<u>\$ 246</u>	<u>\$ 418</u>	<u>\$ 18</u>	<u>\$ 25</u>	<u>\$ 16</u>	<u>\$ 157,588</u>

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Expendable Trust Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	UNEMPLOYMENT INSURANCE	LOCAL GOV'T TRUST	RURAL DEVELOPMENT	RAIL CONSTRUCTION	ESCHEATED PROPERTY	L&I COMP INSURANCE
REVENUES:						
Licenses/Permits	\$ -	\$ 1,745	\$ -	\$ -	\$ -	-
Taxes:						
Natural Resouce	-	32,012	-	-	-	-
Corporate Income	-	10,709	-	-	-	-
Other	-	23,737	-	-	-	-
Charges for Services/Fines/Forfeits	-	-	-	-	-	-
Investment Earnings	8,143	172	230	40	-	-
Securities Lending Income	-	12	4	3	-	3
Rentals/Leases/Royalties	-	-	-	-	-	-
Contributions/Premiums	58,601	-	-	-	-	-
Grants/Contracts/Donations	-	-	5	-	1,240	-
Federal	4,727	-	-	-	-	-
Total Revenues	71,471	68,387	239	43	1,240	3
EXPENDITURES:						
Current:						
General Government	-	44,383	-	-	-	-
Public Safety/Corrections	-	23,908	-	-	-	-
Transportation	-	-	-	-	-	-
Education/Cultural	-	-	-	-	-	-
Economic Development/Assistance	66,035	-	96	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest/Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	8	-	-	-
Securities Lending	-	12	3	3	-	3
Total Expenditures	66,035	68,303	107	3	-	3
Excess of Revenues Over (Under) Expenditures	5,436	84	132	40	1,240	-
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	-	-	-	-	55	-
Operating Transfers Out	-	-	-	-	(1,323)	-
Total Other Financing Sources (Uses)	-	-	-	-	(1,268)	-
Excess of Revenues/Other Sources Over (Under) Expenditures/ Other Uses	5,436	84	132	40	(28)	-
FUND BALANCES - JULY 1 - As Previously Reported	115,271	-	2,822	1,783	419	-
FUND BALANCES - JULY 1 - As Restated	115,271	-	2,822	1,783	419	-
FUND BALANCES - JUNE 30	\$ 120,707	\$ 84	\$ 2,954	\$ 1,823	\$ 391	\$ -

HISTORICAL SOCIETY GENERAL TRUST	WOODVILLE HIGHWAY REPLACEMENT	RURAL PHYSICIAN	HAYNES TRUST	METAL MINES LOCAL ASSISTANCE	STATE LIBRARY TRUST	SCHOOL FOR DEAF & BLIND	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,745
-	-	-	-	1,162	-	-	33,174
-	-	-	-	-	-	-	10,709
-	-	-	-	-	-	-	23,737
-	-	186	-	-	-	-	186
32	14	19	1	-	1	-	8,652
2	1	1	-	-	-	-	26
-	-	-	-	-	-	5	5
-	-	-	-	-	-	-	58,601
-	-	-	-	-	8	315	1,568
-	-	-	-	-	-	-	4,727
34	15	206	1	1,162	9	320	143,130
-	-	-	-	1,162	-	-	45,545
-	-	-	-	-	-	-	23,908
-	39	-	-	-	-	-	39
-	-	59	-	-	-	320	379
-	-	-	-	-	-	-	66,131
20	-	-	-	-	-	-	20
6	-	-	-	-	-	-	6
-	-	-	-	-	-	-	8
2	1	1	-	-	-	-	25
28	40	60	-	1,162	-	320	136,061
6	(25)	146	1	-	9	-	7,069
-	-	-	-	-	-	-	55
(8)	-	-	-	-	-	-	(1,331)
(8)	-	-	-	-	-	-	(1,276)
(2)	(25)	146	1	-	9	-	5,793
399	255	261	17	-	7	-	121,234
399	255	261	17	-	7	-	121,234
\$ 397	\$ 230	\$ 407	\$ 18	\$ -	\$ 16	\$ -	127,027



NONEXPENDABLE TRUST FUNDS

Nonexpendable Trust Funds are used to account for assets held by the State in a trustee capacity, where the trust principal may not be expended. A brief description of each Nonexpendable Trust Fund follows:

Coal Tax Trust - This fund, created by Article IX, Section 5 of the Montana Constitution and administered by the Department of Revenue, receives 50% of all coal tax collections. Principal may be expended only upon affirmative vote by three-fourths of each house of the Legislature.

Land Grants - The Department of State Lands accounts for lands granted to the State for support of public schools and State institutions in this fund.

Resource Indemnity - Taxes paid by persons engaging in or carrying on the business of mining, extracting or producing minerals are deposited in this fund. Only the net earnings of the trust may be appropriated until the principal reaches \$100 million. Interest earnings are expended from a Special Revenue Fund. This fund is administered by the Department of Revenue.

Parks Trust and Cultural Trust - A portion of the coal severance taxes are credited to these funds by the Department of Revenue. Income from the trusts shall be used for the acquisition and maintenance of State parks and historical sites by the Department of Fish, Wildlife and Parks and for the protection of works of art in the State Capitol and other cultural projects through the Montana Arts Council.

Real Property Trust - Money received by the Department of Fish, Wildlife and Parks from the sale of real property, from the exploration and development of oil, gas and mineral deposits and from the lease of department real property is deposited in this fund. Interest is recorded in a Special Revenue Fund and used for developing and maintaining real property of the department.

Noxious Weed Management - The Department of Agriculture accounts for revenues and interest earned on fees charged for the control of noxious weeds in this fund.

Moore Sipple Connector - Money is held in trust to provide funds for the restructuring of the Geraldine-Lewistown Line.

Historical Society - Four funds (Jim Bradley Memorial, Thomas Teakle, Merritt Wheeler and Historical Society Acquisitions) account for memorials, bequests and various other contributions to the Montana Historical Society. Investment income is either expended from a Special Revenue Fund, Expendable Trust Fund or added to the principal.

STATE OF MONTANA
Combining Balance Sheet
Nonexpendable Trust Funds
June 30, 1997
(Expressed in Thousands)

	COAL TAX TRUST	LAND GRANTS	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY	NOXIOUS WEED MANAGEMENT	MOORE SIPPLE CONNECTOR
ASSETS:								
Cash/Cash Equivalents	\$ 30,499	\$ 17,173	\$ 3,914	\$ 552	\$ 201	\$ 943	\$ 373	\$ 242
Receivables (Net)	9,933	4,017	823	196	81	102	36	-
Due from Other Funds	7	414	-	-	-	8	-	-
Equity in Pooled Investments	447,602	309,247	91,089	12,902	3,813	-	-	-
Long-Term Loans/Notes Receivable	-	36	-	-	-	-	-	-
Investments	113,069	-	-	-	-	6,646	2,205	-
Securities Lending Collateral	59,769	41,239	12,182	1,688	492	3,752	1,153	6
Land	-	49,398	-	-	-	-	-	-
Other Fixed Assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 660,879	\$ 421,524	\$ 108,008	\$ 15,338	\$ 4,587	\$ 11,451	\$ 3,767	\$ 248
LIABILITIES/FUND BALANCES:								
Liabilities:								
Accounts Payable	\$ 113	\$ 3,925	\$ -	\$ -	\$ -	\$ 18	\$ 6	\$ 4
Interfund Loans Payable	588	-	-	-	-	-	-	-
Due to Other Funds	9,976	5,714	1,198	167	249	79	80	-
Due to Component Units	-	277	-	-	-	-	-	-
Deferred Revenue	-	-	43	-	-	2	-	-
Securities Lending Liability	59,769	41,239	12,182	1,688	492	3,752	1,153	6
Total Liabilities	70,446	51,155	13,423	1,855	741	3,851	1,239	10
Fund Balances:								
Reserved for Trust Principal	590,433	370,369	94,585	13,483	3,846	7,600	2,528	238
Total Fund Balances	590,433	370,369	94,585	13,483	3,846	7,600	2,528	238
TOTAL LIABILITIES/FUND BALANCES	\$ 660,879	\$ 421,524	\$ 108,008	\$ 15,338	\$ 4,587	\$ 11,451	\$ 3,767	\$ 248

	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT- WHEELER MEMORIAL	HISTORICAL SOCIETY ACQUISITIONS	TOTALS
\$	17	\$ 16	\$ 18	\$ 8	53,956
	-	-	-	-	15,188
	-	-	-	-	429
	55	43	12	23	864,786
	-	-	-	-	36
	-	-	-	-	121,920
	27	23	6	3	120,340
	-	-	-	-	49,398
	-	-	-	2	2
<hr/>					
\$	99	\$ 82	\$ 36	\$ 36	1,226,055
<hr/>					
\$	-	\$ -	\$ -	\$ -	4,066
	-	-	-	-	588
	-	-	-	-	17,463
	-	-	-	-	277
	-	-	-	-	45
	27	23	6	3	120,340
<hr/>					
	27	23	6	3	142,779
<hr/>					
	72	59	30	33	1,083,276
<hr/>					
	72	59	30	33	1,083,276
<hr/>					
\$	99	\$ 82	\$ 36	\$ 36	1,226,055
<hr/>					

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	COAL TAX TRUST	LAND GRANTS	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY	NOXIOUS WEED MANAGEMENT
OPERATING REVENUES:							
Charges for Services	\$ -	\$ 6,974	\$ -	\$ -	\$ -	\$ 347	\$ -
Investment Earnings	42,811	24,996	7,278	1,001	496	472	366
Securities Lending Income	5,070	3,510	1,034	142	75	200	78
Taxes	19,069	-	1,432	484	240	-	28
Rentals/Leases/Royalties	-	26,639	-	-	-	172	10
Other Operating Revenues	-	46	-	-	-	-	-
Total Operating Revenues	66,950	62,165	9,744	1,627	811	1,191	482
OPERATING EXPENSES:							
Grants	-	-	-	-	-	-	-
Securities Lending Expense	4,873	3,372	994	136	71	191	74
Other Operating Expenses	-	-	-	-	-	-	-
Total Operating Expenses	4,873	3,372	994	136	71	191	74
Income (Loss) before Operating Transfers	62,077	58,793	8,750	1,491	740	1,000	408
Operating Transfers In	-	1,268	-	-	-	-	-
Operating Transfers Out	(44,602)	(41,578)	(7,318)	(1,007)	(499)	(477)	(382)
Operating Transfers to Component Units	-	(1,740)	-	-	-	-	-
Net Income (Loss)	17,475	16,743	1,432	484	241	523	26
FUND BALANCES - JULY 1 -							
As Previously Reported	572,407	353,627	93,153	12,999	7,518	7,077	2,502
Prior Period Adjustments	-	(1)	-	-	-	-	-
FUND BALANCES - JULY 1 - As Restated	572,407	353,626	93,153	12,999	7,518	7,077	2,502
Residual Equity Transfers	551	-	-	-	(3,913)	-	-
FUND BALANCES - JUNE 30	<u>\$ 590,433</u>	<u>\$ 370,369</u>	<u>\$ 94,585</u>	<u>\$ 13,483</u>	<u>\$ 3,846</u>	<u>\$ 7,600</u>	<u>\$ 2,528</u>

	MOORE SIPPLE CONNECTOR	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT- WHEELER MEMORIAL	HISTORICAL SOCIETY ACQUISITIONS	TOTALS
\$	- \$	- \$	- \$	- \$	- \$	7,321
	13	7	6	2	2	77,450
	1	2	1	-	-	10,113
	-	-	-	-	-	21,253
	-	-	-	-	-	26,821
	-	-	-	-	-	46
	14	9	7	2	2	143,004
	13	-	-	-	-	13
	1	1	1	-	-	9,714
	-	5	-	-	-	5
	14	6	1	-	-	9,732
	-	3	6	2	2	133,272
	-	-	-	-	-	1,268
	-	-	(4)	-	-	(95,867)
	-	-	-	-	-	(1,740)
	-	3	2	2	2	36,933
	238	69	57	28	31	1,049,706
	-	-	-	-	-	(1)
	238	69	57	28	31	1,049,705
	-	-	-	-	-	(3,362)
\$	238 \$	72 \$	59 \$	30 \$	33 \$	1,083,276

STATE OF MONTANA
Combining Statement of Cash Flows
Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

	COAL TAX TRUST	LAND GRANTS	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Sales and Services	\$ -	\$ 7,245	\$ -	\$ -	\$ -	345
Grant Payments	-	-	-	-	-	-
Scholarship/Fellowship Payments	-	-	-	-	-	-
Other Operating Revenue	-	46	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	-	7,291	-	-	-	345
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Collection of Taxes	18,634	-	1,521	473	235	-
Transfers to Other Funds	(41,725)	(48,630)	(7,478)	(1,026)	(516)	(470)
Transfers to Component Units	-	(1,740)	-	-	-	-
Interfund Loan Payments	(14,038)	-	-	-	-	-
Transfers from Other Funds	-	1,268	-	-	-	-
Proceeds from Interfund Loans	14,589	-	-	-	-	-
Residual Equity Transfers to Other Funds	-	-	-	-	(3,913)	-
Residual Equity Transfers from Other Funds	551	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(21,989)	(49,102)	(5,957)	(553)	(4,194)	(470)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of Fixed Assets	-	-	-	-	-	-
Net Cash Used for Capital and Related Financing Activities	-	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of Investments	(31,974)	(7,000)	(1,200)	(450)	(150)	(2,126)
Proceeds from Sales or Maturities of Investments	12,834	-	-	-	3,536	1,264
Proceeds from Securities Lending Transactions	5,070	3,510	1,034	142	75	182
Interest and Dividends on Investments	42,067	22,717	7,285	1,001	518	476
Payment of Securities Lending Costs	(4,873)	(3,372)	(994)	(136)	(72)	(172)
Collection of Rents/Leases/Royalties	-	27,318	-	-	-	234
Net Cash Provided by (Used for) Investing Activities	23,124	43,173	6,125	557	3,907	(142)
Net Increase (Decrease) in Cash and Cash Equivalents	1,135	1,362	168	4	(287)	(267)
Cash and Cash Equivalents, July 1	29,364	15,811	3,746	548	488	1,210
Cash and Cash Equivalents, June 30	\$ 30,499	\$ 17,173	\$ 3,914	\$ 552	\$ 201	\$ 943
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 62,077	\$ 58,793	\$ 8,750	\$ 1,491	\$ 740	1,000
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:						
Taxes	(19,069)	-	(1,432)	(484)	(240)	-
Securities Lending Expense	4,873	3,372	994	136	71	191
Interest on Investments	(42,811)	(24,996)	(7,278)	(1,001)	(496)	(472)
Securities Lending Income	(5,070)	(3,510)	(1,034)	(142)	(75)	(200)
Rentals/Leases/Royalties	-	(26,639)	-	-	-	(172)
Change in Assets and Liabilities:						
Decr (Incr) in Due From Other Funds	-	266	-	-	-	(2)
Incr (Decr) in Accounts Payable	-	-	-	-	-	-
Incr (Decr) in Due to Other Funds	-	5	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	\$ -	\$ 7,291	\$ -	\$ -	\$ -	345

	NOXIOUS WEED MANAGEMENT	MOORE SIPPLE CONNECTOR	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT- WHEELER MEMORIAL	HISTORICAL SOCIETY ACQUISITIONS	TOTALS
\$	- \$	- \$	- \$	- \$	- \$	- \$	7,590
	-	(13)	-	-	-	-	(13)
	-	-	(6)	-	-	-	(6)
	10	-	-	-	-	-	56
	10	(13)	(6)	-	-	-	7,627
	28	-	-	-	-	-	20,891
	(371)	-	-	(4)	-	-	(100,220)
	-	-	-	-	-	-	(1,740)
	-	-	-	-	-	-	(14,038)
	-	-	-	-	-	-	1,268
	-	-	-	-	-	-	14,589
	-	-	-	-	-	-	(3,913)
	-	-	-	-	-	-	551
	(343)	-	-	(4)	-	-	(82,612)
	-	-	-	-	-	(2)	(2)
	-	-	-	-	-	(2)	(2)
	(851)	-	-	-	-	-	(43,751)
	787	-	-	-	-	-	18,421
	72	1	2	1	-	-	10,089
	372	13	7	6	2	2	74,466
	(68)	(1)	(2)	(1)	-	-	(9,691)
	-	-	-	-	-	-	27,552
	312	13	7	6	2	2	77,086
	(21)	-	1	2	2	-	2,099
	394	242	16	14	16	8	51,857
\$	373 \$	242 \$	17 \$	16 \$	18 \$	8 \$	53,956
\$	408 \$	- \$	3 \$	6 \$	2 \$	2 \$	133,272
	(28)	-	-	-	-	-	(21,253)
	74	1	1	1	-	-	9,714
	(366)	(13)	(7)	(6)	(2)	(2)	(77,450)
	(78)	(1)	(2)	(1)	-	-	(10,113)
	-	-	-	-	-	-	(26,811)
	-	-	-	-	-	-	264
	-	-	(1)	-	-	-	(1)
	-	-	-	-	-	-	5
\$	10 \$	(13) \$	(6) \$	- \$	- \$	- \$	7,627

PENSION TRUST FUNDS

The Pension Trust Funds are used to account for public employee retirement systems. A brief description of each Pension Trust Fund follows.

Public Employees' Retirement System (PERS) - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to qualified public employees. The system is funded from employer and employee contributions. This fund also accounts for the administrative costs, paid from investment earnings, of the Public Employees' Retirement Division, Department of Administration, which administers the activities of PERS and the following seven retirement systems:

Municipal Police Officers' Retirement System - This fund accounts for resources used to pay retirement, disability and death benefits to qualifying police officers employed by first and second class cities and other cities electing coverage. The system is funded from member, State and city contributions.

Firefighters' Unified Retirement System - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to firefighters employed by first and second class cities and other cities electing coverage. In addition to employer and employee contributions, the State contributes a portion of insurance premium taxes collected.

Sheriffs' Retirement System - This fund accounts for member and county contributions to pay retirement, disability and death benefits to qualifying sheriffs.

Highway Patrol Officers' Retirement System - This fund accounts for member and State contributions to pay retirement, disability and death benefits to qualifying highway patrol officers.

Judges' Retirement System - This fund accounts for member and State contributions used to pay retirement, disability and death benefits to Montana's judges. The system is also funded from a percentage of court fees collected.

Game Wardens' Retirement System - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to game wardens employed by the State. In addition to employer and employee contributions, this fund receives collections of fines and forfeitures generated from fish and wildlife violations.

Volunteer Firefighters' of Unincorporated Areas Retirement System - This fund accounts for resources used to pay medical benefits and retirement, disability and death benefits to qualifying volunteer firefighters. Benefit payments are based upon the growth of the fund in the preceding year.

STATE OF MONTANA
Combining Statement of Plan Net Assets
Pension Trust Funds
June 30, 1997
(Expressed in Thousands)

	PERS	MUNICIPAL POLICE	FIRE- FIGHTERS UNIFIED	SHERIFFS	HIGHWAY PATROL	JUDGES	GAME WARDENS	VOLUNTEER FIRE- FIGHTERS	TOTALS
ASSETS:									
Cash/Cash Equivalents	\$ 62,409	\$ 2,335	\$ 2,173	\$ 3,250	\$ 1,648	\$ 866	\$ 265	\$ 1,438	\$ 74,384
Receivables (Net):									
Employer Contributions	1,843	133	108	126	-	-	-	-	2,210
Employee Contributions	2,060	92	60	126	-	-	-	-	2,338
Interest	10,446	343	324	346	237	125	91	59	11,971
Other Receivables	36	-	3	1	2	-	-	-	42
Due from Component Units	422	-	-	-	-	-	-	-	422
Due from Other Funds	474	4,940	4,644	-	49	67	-	-	10,174
Long Term Notes/Loans Receivable	1,587	-	-	-	-	-	-	-	1,587
Investments, at Fair Value:									
Equity in Pooled Investments	1,868,893	82,078	77,920	82,906	56,072	29,548	21,682	11,332	2,230,431
Other Investments	148,344	1,510	1,132	1,510	1,132	755	377	377	155,137
Securities Lending Collateral	234,446	10,519	9,969	10,638	7,227	3,809	2,781	1,661	281,050
Land	25	-	-	-	-	-	-	-	25
Buildings/Improvements	277	-	-	-	-	-	-	-	277
Equipment	145	-	-	-	-	-	-	-	145
Accumulated Depreciation	(211)	-	-	-	-	-	-	-	(211)
Intangible Assets	1	-	-	-	-	-	-	-	1
TOTAL ASSETS	\$ 2,331,197	\$ 101,950	\$ 96,333	\$ 98,903	\$ 66,367	\$ 35,170	\$ 25,196	\$ 14,867	\$ 2,769,983
LIABILITIES/FUND BALANCES:									
Accounts Payable	\$ 594	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	609
Due to Other Funds	70	29	23	20	12	2	5	20	181
Deferred Revenue	17	1	-	3	-	-	-	-	21
Securities Lending Liability	234,446	10,519	9,969	10,638	7,227	3,809	2,781	1,661	281,050
Compensated Absences Payable	107	-	-	-	-	-	-	-	107
Total Liabilities	235,234	10,564	9,992	10,661	7,239	3,811	2,786	1,681	281,968
Fund Balances Reserved for Employees' Pension Benefits	2,095,963	91,386	86,341	88,242	59,128	31,359	22,410	13,186	2,488,015
TOTAL LIABILITIES/FUND BALANCES	\$ 2,331,197	\$ 101,950	\$ 96,333	\$ 98,903	\$ 66,367	\$ 35,170	\$ 25,196	\$ 14,867	\$ 2,769,983



AGENCY FUNDS

The Agency Funds are used to account for assets held by the State as an agent for individuals, private organizations, other governments and other funds. A brief description of each Agency Fund follows.

Investment Pool - This fund accounts for idle cash invested on a pooled basis. Investment earnings on State funds are accounted for as revenue in either the fund providing the cash for investment or in the fund from which the earnings will be expended.

Employees' Deferred Compensation - State employees may defer a part of their compensation for the purpose of investment. This fund accounts for employee withholdings transferred to investing entities for allocation to employee designated investment plans.

Land Grant Interest - This fund accounts for interest and income earnings on nonexpendable trusts administered by the Department of State Lands pending distribution to units of the university system and State institutions.

Performance Deposits - This fund accounts for deposits held by the State pending compliance with performance agreements.

Central Payroll - This fund accounts for the accumulation of State employees' payroll and withholdings by the State Auditor's Office pending remittance to employees and other appropriate third parties.

Workers' Comp Securities - This fund, administered by the Department of Labor and Industry, accounts for surety bonds, converting the bonds into cash to liquidate liabilities as necessary.

Custodial Accounts - This fund accounts for moneys belonging to State institution residents, students of the School for the Deaf and Blind, participants in the foster children and protective services programs and balances held by the Commissioner of Higher Education's Office for remittance, on behalf of eligible employees of the Montana University System, to the TIAA-CREF retirement fund.

Unissued Warrants - This fund reports the amount of warrants authorized by agency claims but not written or mailed by fiscal year-end.

Child Support Collections - This fund accounts for payments from parents under the Child Support Enforcement Program administered by the Department of Social & Rehabilitative Services.

Unclaimed Property - This fund accounts for property held by State agencies pending claim by the person entitled thereto. It includes proceeds from the sale of abandoned property, escheated and undistributed estates, state-dated State warrants and unclaimed wages.

Intergovernmental - This fund accounts for resources that flow through State agencies to federal and local governments.

A & E Advances - This fund accounts for moneys advanced by other agencies to the Department of Administration's Architecture and Engineering (A & E) Division for minor capital projects. The capital outlay expenditures are recorded in the funds which advanced the money.

Uncleared Collections - This fund accounts for resources held pending distribution to other funds and local governments. Amounts due to other State funds have been recorded as a receivable and revenue in those funds.

Debt Collection - This fund accounts for amounts due to the State which have been written off as uncollectible by the receiving agency. The State Auditor's Office continues to attempt to collect amounts owing for a period of time after they are deemed uncollectible by the receiving agency.

Eastern Montana Veteran's Home - This fund accounts for money that veterans reimburse the Veteran's Home located in Eastern Montana.

Stock Estray - This fund accounts for the proceeds derived from the sale of stray animals.

Bondholders Payment Fund - This fund accounts for accumulated proceeds for payment to bondholders for unredeemed coupons attached to refunded bond issues.

STATE OF MONTANA
Combining Balance Sheet
Agency Funds
June 30, 1997
(Expressed in Thousands)

	INVESTMENT POOL	EMPLOYEES DEFERRED COMP.	LAND GRANT INTEREST	PERFORM. DEPOSITS	CENTRAL PAYROLL	WORKERS' COMP SECURITIES	CUSTODIAL ACCOUNTS	UNISSUED WARRANTS
ASSETS:								
Cash/Cash Equivalents	\$ 533,925	\$ 6,002	\$ 1	\$ 6,885	\$ 256	\$ -	\$ 1,015	\$ 12,219
Receivables (Net)	61,896	376	-	-	-	-	-	-
Due from Component Units	-	75	-	-	849	-	-	-
Due from Other Funds	-	-	-	8	24,882	-	18	100
Advances to Other Funds	-	-	-	31	-	-	-	-
Equity in Pooled Investments	251,513	60,776	-	-	-	-	-	-
Investments	-	72,588	-	-	-	-	-	-
Securities Lending Collateral	-	7,985	-	95	-	-	7	-
Other Assets	-	-	-	5,100	-	1,648	-	-
TOTAL ASSETS	\$ 847,334	\$ 147,802	\$ 1	\$ 12,119	\$ 25,987	\$ 1,648	\$ 1,040	\$ 12,319
LIABILITIES:								
Accounts Payable	\$ 26,082	\$ -	\$ -	\$ 168	\$ -	\$ -	\$ 27	\$ -
Interfund Loans Payable	-	440	-	-	-	-	-	-
Due to Other Governments	321,094	-	-	-	-	-	-	-
Due to Component Units	-	2	1	2	-	-	-	-
Due to Other Funds	125	243	-	315	164	-	-	2,052
Property Held in Trust	500,033	139,132	-	8,442	25,823	1,648	1,006	10,267
Securities Lending Liability	-	7,985	-	95	-	-	7	-
Other Liabilities	-	-	-	3,097	-	-	-	-
TOTAL LIABILITIES	\$ 847,334	\$ 147,802	\$ 1	\$ 12,119	\$ 25,987	\$ 1,648	\$ 1,040	\$ 12,319

	CHILD SUPPORT COLLECTIONS	UNCLAIMED PROPERTY	INTER- GOVERNMENTAL	A & E ADVANCES	UNCLEARED COLLECTIONS	DEBT COLLECTION	EASTERN MT VETERANS HOME	BONDHOLDERS PAYMENT FUND	TOTALS
\$	869	\$ 15	\$ 3,876	\$ 8	\$ 852	\$ 322	\$ -	19	\$ 566,264
	250	-	1,347	-	-	1	-	-	63,870
	6	-	-	1	4	-	-	-	935
	39	2	259	1	37	2	-	-	25,348
	-	-	-	-	-	-	-	-	31
	-	-	-	-	-	-	-	-	312,289
	-	-	-	-	-	-	-	-	72,588
	-	-	95	-	-	-	-	-	8,182
	-	-	2,240	-	-	-	57	-	9,045
\$	1,164	\$ 17	\$ 7,817	\$ 10	\$ 893	\$ 325	\$ 57	19	\$ 1,058,552
\$	-	\$ 2	\$ 2,408	\$ -	\$ 1	\$ 5	\$ 57	-	\$ 28,750
	-	-	-	-	-	-	-	-	440
	-	-	1,983	-	-	-	-	-	323,077
	-	-	-	2	1	9	-	-	17
	639	-	12	7	821	145	-	-	4,523
	525	15	3,319	1	70	166	-	19	690,466
	-	-	95	-	-	-	-	-	8,182
	-	-	-	-	-	-	-	-	3,097
\$	1,164	\$ 17	\$ 7,817	\$ 10	\$ 893	\$ 325	\$ 57	19	\$ 1,058,552

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

FUND	BALANCE				BALANCE	
	June 30, 1996	Additions	Deductions		June 30, 1997	
INVESTMENT POOL:						
ASSETS						
Cash/Cash Equivalents	\$	544,684	\$	35,675,480	\$	35,686,239
Receivables (Net)		61,727		303,356		303,187
Equity in Pooled Investments		120,180		6,946,622		6,815,289
Investments		-		32,477,800		32,477,800
Securities Lending Collateral		-		623,161		623,161
Total Assets	\$	726,591	\$	76,026,419	\$	75,905,676
						847,334
LIABILITIES						
Accounts Payable	\$	9,940	\$	26,256	\$	10,114
Interfund Loans Payable		1,012		1,013		2,025
Due to Other Governments		299,714		611,344		589,964
Due to Other Funds		-		125		-
Property Held in Trust		415,925		9,955,930		9,871,822
Securities Lending Liability		-		623,161		623,161
Total Liabilities	\$	726,591	\$	11,217,829	\$	11,097,086
						847,334
EMPLOYEES DEFERRED COMP.:						
ASSETS						
Cash/Cash Equivalents	\$	1	\$	137,739	\$	131,738
Receivables (Net)		-		398		22
Due from Other Funds		-		213		213
Due from Component Units		78		75		78
Equity in Pooled Investments		-		60,776		-
Investments		122,528		60,609		110,549
Securities Lending Collateral		-		7,985		-
Total Assets	\$	122,607	\$	267,795	\$	242,600
						147,802
LIABILITIES						
Interfund Loans Payable	\$	-	\$	440	\$	-
Due to Other Funds		-		306		63
Due to Component Units		-		2		-
Property Held in Trust		122,607		78,768		62,243
Securities Lending Liability		-		7,985		-
Total Liabilities	\$	122,607	\$	87,501	\$	62,306
						147,802
LAND GRANT INTEREST:						
ASSETS						
Cash/Cash Equivalents	\$	1	\$	23	\$	23
Total Assets	\$	1	\$	23	\$	23
						1
LIABILITIES						
Due to Other Funds	\$	-	\$	2	\$	2
Due to Component Units		1		1		1
Total Liabilities	\$	1	\$	3	\$	3
						1
PERFORM. DEPOSITS:						
ASSETS						
Cash/Cash Equivalents	\$	21,409	\$	50,507	\$	65,031
Receivables (Net)		-		11		11
Interfund Loans Receivable		-		700		700
Due from Other Funds		4		8		4
Advances To Other Funds		60		-		29
Securities Lending Collateral		-		95		-
Other Assets		5,862		970		1,732
Total Assets	\$	27,335	\$	52,291	\$	67,507
						12,119
LIABILITIES						
Accounts Payable	\$	183	\$	337	\$	352
Due to Other Funds		582		325		592
Due to Component Units		9		2		9
Property Held in Trust		23,352		10,368		25,278
Securities Lending Liability		-		95		-
Other Liabilities		3,209		9,984		10,096
Total Liabilities	\$	27,335	\$	21,111	\$	36,327
						12,111

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities - Continued
Agency Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

FUND	BALANCE June 30, 1996	Additions	Deductions	BALANCE June 30, 1997
CENTRAL PAYROLL:				
ASSETS				
Cash/Cash Equivalents	\$ 213	\$ 418,168	\$ 418,125	\$ 256
Due from Other Funds	22,541	27,246	24,905	24,882
Due from Component Units	985	849	985	849
Total Assets	\$ 23,739	\$ 446,263	\$ 444,015	\$ 25,987
LIABILITIES				
Accounts Payable	\$ 332	\$ -	\$ 332	\$ -
Due to Other Funds	92	694	622	164
Property Held in Trust	23,314	420,713	418,204	25,823
Other Liabilities	1	22	23	-
Total Liabilities	\$ 23,739	\$ 421,429	\$ 419,181	\$ 25,987
WORKERS' COMP. SECURITIES:				
ASSETS				
Other Assets	\$ 1,768	\$ -	\$ 120	\$ 1,648
Total Assets	\$ 1,768	\$ -	\$ 120	\$ 1,648
LIABILITIES				
Property Held in Trust	\$ 1,768	\$ -	\$ 120	\$ 1,648
Total Liabilities	\$ 1,768	\$ -	\$ 120	\$ 1,648
CUSTODIAL ACCOUNTS:				
ASSETS				
Cash/Cash Equivalents	\$ 1,531	\$ 2,906	\$ 3,422	\$ 1,015
Receivables (Net)	-	3	3	-
Due from Other Funds	15	18	15	18
Securities Lending Collateral	-	7	-	7
Total Assets	\$ 1,546	\$ 2,934	\$ 3,440	\$ 1,040
LIABILITIES				
Accounts Payable	\$ 32	\$ 27	\$ 32	\$ 27
Due to Other Funds	309	4	313	-
Property Held in Trust	1,205	3,203	3,402	1,006
Securities Lending Liability	-	7	-	7
Total Liabilities	\$ 1,546	\$ 3,241	\$ 3,747	\$ 1,040
UNISSUED WARRANTS:				
ASSETS				
Cash/Cash Equivalents	\$ 1,229	\$ 2,527,448	\$ 2,516,458	\$ 12,219
Receivables (Net)	585	130,185	130,770	-
Due from Other Funds	81	100	81	100
Total Assets	\$ 1,895	\$ 2,657,733	\$ 2,647,309	\$ 12,319
LIABILITIES				
Due to Other Funds	\$ 1,895	\$ 2,052	\$ 1,895	\$ 2,052
Property Held in Trust	-	2,550,222	2,539,955	10,267
Other Liabilities	-	40,716	40,716	-
Total Liabilities	\$ 1,895	\$ 2,592,990	\$ 2,582,566	\$ 12,319
CHILD SUPPORT COLLECTIONS:				
ASSETS				
Cash/Cash Equivalents	\$ 891	\$ 45,255	\$ 45,277	\$ 869
Receivables (Net)	204	529	483	250
Due from Other Funds	98	86	145	39
Due from Component Units	6	6	6	6
Total Assets	\$ 1,199	\$ 45,876	\$ 45,911	\$ 1,164
LIABILITIES				
Accounts Payable	\$ 111	\$ 111	\$ 222	\$ -
Due to Other Funds	1,079	673	1,113	639
Property Held in Trust	9	623	107	525
Total Liabilities	\$ 1,199	\$ 1,407	\$ 1,442	\$ 1,164

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities - Continued
Agency Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

FUND	BALANCE June 30, 1996	Additions	Deductions	BALANCE June 30, 1997
UNCLAIMED PROPERTY:				
ASSETS				
Cash/Cash Equivalents	\$ 9	\$ 143	\$ 137	\$ 15
Due From Other Funds	3	2	3	2
Total Assets	\$ 12	\$ 145	\$ 140	\$ 17
LIABILITIES				
Accounts Payable	\$ 3	\$ 2	\$ 3	\$ 2
Property Held in Trust	9	144	138	15
Total Liabilities	\$ 12	\$ 146	\$ 141	\$ 17
INTERGOVERNMENTAL:				
ASSETS				
Cash/Cash Equivalents	\$ 12,822	\$ 209,702	\$ 218,648	\$ 3,876
Receivables (Net)	8,124	1,983	8,760	1,347
Due from Other Funds	20	258	19	259
Securities Lending Collateral	-	123,343	123,248	95
Other Assets	3,142	378	1,280	2,240
Total Assets	\$ 24,108	\$ 335,664	\$ 351,955	\$ 7,817
LIABILITIES				
Accounts Payable	\$ 14,973	\$ 2,403	\$ 14,968	\$ 2,408
Due to Other Governments	441	1,542	-	1,983
Due to Other Funds	20	11	19	12
Property Held in Trust	8,674	6,561	11,916	3,319
Securities Lending Liability	-	123,343	123,248	95
Total Liabilities	\$ 24,108	\$ 133,860	\$ 150,151	\$ 7,817
A & E ADVANCES:				
ASSETS				
Cash/Cash Equivalents	\$ 1	\$ 75	\$ 68	\$ 8
Due from Component Units	-	1	-	1
Due from Other Funds	-	2	1	1
Total Assets	\$ 1	\$ 78	\$ 69	\$ 10
LIABILITIES				
Due to Other Funds	\$ -	\$ 9	\$ 2	\$ 7
Due to Component Units	-	2	-	2
Property Held in Trust	1	77	77	1
Total Liabilities	\$ 1	\$ 88	\$ 79	\$ 10
UNCLEARED COLLECTIONS:				
ASSETS				
Cash/Cash Equivalents	\$ 797	\$ 91,695	\$ 91,640	\$ 852
Receivables	-	254	254	-
Due from Other Funds	14	97	74	37
Due from Component Units	6	4	6	4
Total Assets	\$ 817	\$ 92,050	\$ 91,974	\$ 893
LIABILITIES				
Accounts Payable	\$ 1	\$ 49	\$ 49	\$ 1
Due to Other Funds	727	822	728	821
Due to Component Units	-	1	-	1
Property Held in Trust	46	1,320	1,296	70
Other Liabilities	43	90,114	90,157	-
Total Liabilities	\$ 817	\$ 92,306	\$ 92,230	\$ 893

(Continued on Next Page)

STATE OF MONTANA
Combining Statement of Changes in Assets and Liabilities - Continued
Agency Funds
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

FUND	BALANCE June 30, 1996	Additions	Deductions	BALANCE June 30, 1997
DEBT COLLECTION:				
ASSETS				
Cash/Cash Equivalents	\$ 610	\$ 3,461	\$ 3,749	\$ 322
Receivables (Net)	-	178,876	178,875	1
Due from Other Funds	1	9	8	2
Total Assets	\$ 611	\$ 182,346	\$ 182,632	\$ 325
LIABILITIES				
Accounts Payable	\$ 125	\$ 5	\$ 125	\$ 5
Due to Other Funds	242	179	276	145
Due to Component Units	18	9	18	9
Property Held in Trust	226	3,024	3,084	166
Total Liabilities	\$ 611	\$ 3,217	\$ 3,503	\$ 325
EASTERN MT VETERANS HOME:				
ASSETS				
Other Assets	\$ -	\$ 57	\$ -	\$ 57
Total Assets	\$ -	\$ 57	\$ -	\$ 57
LIABILITIES				
Accounts Payable	-	57	-	57
Total Liabilities	\$ -	\$ 57	\$ -	\$ 57
BONDHOLDERS PAYMENT:				
ASSETS				
Cash/Cash Equivalents	\$ 19	\$ -	\$ -	\$ 19
Total Assets	\$ 19	\$ -	\$ -	\$ 19
LIABILITIES				
Property Held in Trust	\$ 19	\$ -	\$ -	\$ 19
Total Liabilities	\$ 19	\$ -	\$ -	\$ 19
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash/Cash Equivalents	\$ 584,217	\$ 39,162,602	\$ 39,180,555	\$ 566,264
Receivables (Net)	70,640	615,595	622,365	63,870
Interfund Loan Receivable	-	700	700	-
Due from Other Funds	22,777	28,039	25,468	25,348
Due from Component Units	1,075	935	1,075	935
Advances to Other Funds	60	-	29	31
Equity in Pooled Investments	120,180	7,007,398	6,815,289	312,289
Investments	122,528	32,538,409	32,588,349	72,588
Securities Lending Collateral	-	754,591	746,409	8,182
Other Assets	10,772	1,405	3,132	9,045
TOTAL ASSETS	\$ 932,249	\$ 80,109,674	\$ 79,983,371	\$ 1,058,552
LIABILITIES				
Accounts Payable	\$ 25,700	\$ 29,247	\$ 26,197	\$ 28,750
Interfund Loans Payable	1,012	1,453	2,025	440
Due to Other Governments	300,155	612,886	589,964	323,077
Due to Other Funds	4,946	5,202	5,625	4,523
Due to Component Units	28	17	28	17
Property Held in Trust	597,155	13,030,953	12,937,642	690,466
Securities Lending Liability	-	754,591	746,409	8,182
Other Liabilities	3,253	140,836	140,992	3,097
TOTAL LIABILITIES	\$ 932,249	\$ 14,575,185	\$ 14,448,882	\$ 1,058,552

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for use in operations which are accounted for in governmental funds. These include all fixed assets except those of the Enterprise, Internal Service, Expendable Trust, Nonexpendable Trust, Pension Trust and Higher Education Funds.

STATE OF MONTANA
Schedule of General Fixed Assets by Source
June 30, 1997
(Expressed in Thousands)

General Fixed Assets:

Land	\$	62,645
Buildings/Other Improvements		306,556
Equipment		111,692
Other Fixed Assets		48,679
Construction in Progress		14,281
Total General Fixed Assets	\$	<u>543,853</u>

Investments in General Fixed Assets From:

General Fund Fixed Assets	\$	266,085
State Special Revenue Fund Fixed Assets		142,386
Federal Special Revenue Fund Fixed Assets		43,821
Capital Projects Fund Fixed Assets		39,389
Expendable Trust Fund Fixed Assets		538
Donated Fixed Assets		51,634
Total Investments in General Fixed Assets	\$	<u>543,853</u>

STATE OF MONTANA
Schedule of General Fixed Assets by Function and Activity
June 30, 1997
(Expressed in Thousands)

Function and Activity	Land	Buildings and Improvements	Equipment	Other Fixed Assets	Total
General Government					
Legislative	\$ -	\$ -	1,780	\$ -	1,780
Executive	2,563	41,653	5,549	111	49,876
Judicial	-	-	732	657	1,389
Total General Government	2,563	41,653	8,061	768	53,045
Public Safety/Corrections					
Law Enforcement	390	20,009	13,317	-	33,716
Corrections	2,053	42,689	6,383	4	51,129
Professional/Business Regulation	-	-	1,484	14	1,498
Safety	-	-	383	15	398
Health/Environment	-	-	6	-	6
Total Public Safety/Corrections	2,443	62,698	21,573	33	86,747
Transportation	5,479	32,941	23,725	-	62,145
Health/Social Services					
Health/Environment	138	353	5,771	-	6,262
Social Serv/Welfare/Mentl Hlth	464	56,257	18,711	-	75,432
Mental Health	-	-	25	-	25
Veterans Affairs	33	191	113	-	337
Total Health/Social Services	635	56,801	24,620	-	82,056
Educational/Cultural					
Educational	3,055	78,982	6,171	1,728	89,936
Cultural	186	3,543	368	46,111	50,208
Total Educational/Cultural	3,241	82,525	6,539	47,839	140,144
Resource Development/Recreation					
Health/Environment	9	-	149	-	158
Resource Development	-	-	9,208	-	9,208
Recreation	47,693	24,716	9,573	37	82,019
Agricultural	-	-	1,744	-	1,744
Total Resource Development/Recreation	47,702	24,716	20,674	37	93,129
Economic Development/Assistance	582	5,222	6,500	2	12,306
Total Fixed Assets Allocated to Functions	\$ 62,645	\$ 306,556	\$ 111,692	\$ 48,679	\$ 529,572
Construction in Progress					14,281
Total General Fixed Assets					<u>\$ 543,853</u>

STATE OF MONTANA
Schedule of Changes in General Fixed Assets by Function and Activity
For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

Function and Activity	General Fixed Assets July 1, 1996	Additions	Deletions	General Fixed Assets June 30, 1997
General Government				
Legislative	\$ 1,952	\$ 271	\$ 443	\$ 1,780
Executive	48,612	3,124	1,860	49,876
Judicial	1,245	319	175	1,389
Total General Government	51,809	3,714	2,478	53,045
Public Safety/Corrections				
Law Enforcement	33,616	2,461	2,361	33,716
Corrections	46,495	5,815	1,181	51,129
Professional/Business Regulation	1,461	150	113	1,498
Safety	390	71	63	398
Health/Environment	-	6	-	6
Total Public Safety/Corrections	81,962	8,503	3,718	86,747
Transportation	56,791	6,291	937	62,145
Health/Social Services				
Health/Environment	6,507	461	706	6,262
Social Services/Welfare/Mentl Hlth	74,968	6,545	6,081	75,432
Mental Health	-	28	3	25
Veterans Affairs	318	22	3	337
Total Health/Social Services	81,793	7,056	6,793	82,056
Educational/Cultural				
Educational	89,254	1,177	495	89,936
Cultural	43,245	7,165	202	50,208
Total Educational/Cultural	132,499	8,342	697	140,144
Resource Development/Recreation				
Health/Environment	-	205	47	158
Resource Development	8,904	590	286	9,208
Recreation	77,780	5,057	818	82,019
Agricultural	1,680	309	245	1,744
Total Resource Development/Recreation	88,364	6,161	1,396	93,129
Economic Development/Assistance	9,650	3,082	426	12,306
Construction in Progress	7,783	13,760	7,262	14,281
Total General Fixed Assets	\$ 510,651	\$ 56,909	\$ 23,707	\$ 543,853

